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ABSTRACT

Community colleges across the United States have initiated programs that are making an impact on the productivity of rural America and its residents. Profiles of 20 community and technical college initiatives in rural economic development are contained in this report intended for use by community and technical college administrators. The programs include the following: diverse approaches of training for rural cottage industry operators; grants for community organizers; grower co-ops; incubators without walls; rural diversified enterprise centers; venture capital networks; advanced manufacturing demonstrations; government procurement programs; farm business management programs; high technology specialization; rural leadership conferences; service industry recruitment; economic development classes; workplace literary programs; and direct business startups. Each profile describes (1) the genesis of the program; (2) recruitment, delivery and staffing for the program; (3) participants; (4) funding sources; (5) linkages with traditional economic development organizations; (6) a local contact person; and (7) available materials. This report also summarizes 15 state rural development community-college-based programs in an appendix. (ALL)

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Copies of this publication may be obtained from Margaret Thomas, Midwest Research Institute, 425 Volker Boulevard, Kansas City, Missouri 64110, for a cost of $15.

# A PORTFOLIO OF COMMUNITY COLLEGE INITIATIVES IN RURAL ECONOMIC DEVELOPMENT

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April 1989

Prepared for

U.S. Department of Commerce
Economic Development Administration
Technical Assistance and Research Division

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## PREFACE

*Portfolio* is one of a series of rural economic development technical assistance publications prepared by Midwest Research Institute (MRI) for the Economic Development Administration (EDA) of the U.S. Department of Commerce. Each succeeding publication has, in part, been an outgrowth of the research and findings that went before it. The series began with the 1986 publication *A Rural Economic Development Source Book* that highlighted technical assistance materials appropriate for rural economic development efforts. The next publication was *Profiles in Rural Economic Development* (1988), a guidebook of 65 successful or promising initiatives being undertaken by rural communities or counties in 38 states around the country. The third publication, also completed in 1988, was *Industrial Parks--A Step-by-Step Guide*. This guidebook was one outgrowth of an EDA project in which MRI assisted 10 underutilized rural industrial parks between 1987 and 1988.

The idea for *Portfolio* originated with EDA. The research program was given form by MRI based on several considerations. From our previous work, we were confident that the type of research we proposed and the products we envisioned had not previously been done. We knew that rural communities and counties had found technical assistance materials that provided very useful and successful models. We had in the state of Kansas an excellent subcontractor, the Rural Clearinghouse for Education and Development, who already had a data base on model programs in rural adult postsecondary education as well as experience gained through several regional conferences on rural adult postsecondary education. And we had the active interest of one educational institution in Iowa, Des Moines Area Community College.

The result is this publication. As has been the case with each of our rural economic development publications, MRI intends that *Portfolio* be disseminated and used by public officials, community leaders, and rural development practitioners as well as the obvious audience of community college administrators representing rural service areas.

In preparing *Portfolio*, my special appreciation goes to several members of the project team. The extensive summary of state community college-based rural economic development initiatives was researched and compiled by David Reisdorph, a key MRI contributor to the project team. Mr. Reisdorph also compiled several of the local community college program profiles. An excellent perspective on the statewide summary--from the viewpoint of educational interests--was provided by Jackie Spears of the Rural Clearinghouse for Education and Development in Manhattan, Kansas. Ms. Spears served as a consultant to the project and also provided many valuable contacts in the early stage when leads for successful programs were being generated. Alice Crews spent hundreds of hours processing the profile write-ups and preparing the final report. And Rita Roche, secretary for MRI's Economics and Management Sciences Department, kept unfailingly accurate information on the multitude of interviews and information requests that have been generated from around the country on MRI's rural economic development research.

As we all know from personal experience, enthusiasm is contagious. This project has demonstrated that over and over to me. There are exciting and also moving examples around the country of programs that community colleges have initiated that are making a real impact on the productivity of rural America and its residents. However, there is a great need to link these educational efforts more closely with the work of local, state, and federal economic development organizations, agencies, and initiatives. This *Portfolio* will, we hope, provide the critical first step in seeing and building that linkage.

Sincerely,

MIDWEST RESEARCH INSTITUTE

Margaret G. Thomas

Margaret G. Thomas
Project Leader

Approved:

Linda W. Thornton

Linda W. Thornton, Director
Economics and Management
Sciences Department

## Abstract

*Portfolio* is intended for use by community and technical college administrators at state and local levels and by local community leaders and economic development organizations. Section 1 profiles 20 local community college initiatives in rural economic development. The profiles provide a wide range of alternative models for effective programs which go beyond traditional job training efforts. Each profile describes the genesis of the program; recruitment, delivery, and staffing for the program; participants; funding sources; linkages with traditional economic development organizations; a local contact person; and available materials. Extensive use is made of quotes by local college administrators to highlight key points for others to consider in establishing similar programs. A second section summarizes state programs that are community college-based and that have implications for rural economic development. The state summaries are predominantly job training programs to enable community colleges to provide customized job training, but in a few instances there are key innovations that encourage use of these institutions as statewide economic development tools and technology transfer vehicles. There were few programs found that were actually targeted to rural areas. *Portfolio* also contains an executive summary with conclusions drawn from the research.

## EXECUTIVE SUMMARY

There is an encouraging array of successful programs community and technical colleges are using to create jobs and develop new enterprises in their rural service areas. This publication was prepared in order to help rural community leaders see this potential and fashion closer and more effective linkages between their community and technical colleges and their economic development organizations.

The research for this project was conducted between September 1987 and December 1988. For Section 1, Midwest Research Institute (MRI) sent letters to over 200 persons requesting leads for innovative economic development initiatives being undertaken by community, junior, and technical colleges in rural* areas. This set of contacts included presidents, chancellors and development directors in 253 rural area colleges, and the heads of the State Department of Postsecondary Education or State Board for Community Colleges in the 50 states. In addition, approximately 100 individuals representing rural adult postsecondary education interests were sent letters requesting leads by MRI's subcontractor, the Rural Clearinghouse for Education and Development. As a result of these letters, brief descriptions of about 105 potential programs were received and reviewed. The final selection of the initiatives to be presented in *Portfolio* was based on more detailed written information requested from 51 colleges and extensive telephone interviews conducted with the 20 local contacts listed in the profiles. In the selection, an effort was made to present a wide diversity of successful programs, particularly programs that went beyond what has become the traditional customized training effort.

The profiles differ in length but follow the same general format. On the right side of each page the text includes a brief summary of the economic condition in the area and the leadership behind the decision for the college to enter the economic development arena more aggressively. The program is described in terms of what it is designed to do, how participants are recruited, how the services are delivered, and what staffing requirements are necessary. Where appropriate, the nature of the participants is included. Information on project funding and the ways the college coordinates with economic development groups in the area are also presented. Each text concludes with a local contact person and a brief list of available materials on the program. The other side of the page is used for quotes from the college leadership who provided and confirmed the information. These contacts expressly agreed to respond to inquiries from those attempting similar efforts in their own rural areas and with their own educational institutions. Readers are encouraged to use these contacts.

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* Rural area was defined as any county listed as a nonmetropolitan area by the Economic Research Service of the U.S. Department of Agriculture.

Section 2 of this publication was prepared in order to identify statewide community college-based rural economic development initiatives. Information for the study was collected in a two-stage process. A review of the literature specific to economic development, community colleges, higher education, vocational education, and business was conducted to identify model statewide community college-based economic development programs. Spokespersons for statewide efforts identified through this search were then contacted and asked to send program information including reports, promotional materials, and legislation. Telephone interviews with program directors and State Departments of Economic Development allowed staff to collect more detailed information such as the history leading up to community college involvement; linkages among community colleges, other educational institutions, and economic development organizations; and state viewpoints on the limitations or barriers to full implementation.

There were 13 programs from 10 states profiled in this report. States represented include California, Colorado, Florida, Illinois, Iowa, Michigan, Nebraska, Ohio, Oregon, and Washington. The state program descriptions, given in Appendix A, briefly list the funding source, nature of the innovation, measures of success, and ways in which the program targeted rural areas. The programs selected were meant to give a cross section of the range of types of programs and were not meant to be a comprehensive assessment of every statewide community college initiative.

Observations on Local Programs

Community colleges can and do provide a tremendously diverse range of economic development services and programs. The following is a list of colleges described in this publication and the types of programs they have developed.

| Institution | Innovations |
|---|---|
| 1. Merced Community College<br>California | Procurement center<br>Family day care provider training<br>Agricultural trade development |
| 2. Morgan Community College<br>Colorado | Business assistance to cottage industries<br>Craft cooperatives |
| 3. College of Southern Idaho<br>Idaho | Farm business management<br>Community economic development |
| 4. Danville Area Community College<br>Illinois | Regional economic development marketing<br>Labor/management relations |
| 5. Illinois Valley Community College<br>Illinois | High technology manufacturing<br>Business retention and recruitment |
| 6. Spoon River College<br>Illinois | Growers cooperative |

| Institution | Innovations |
|---|---|
| 7. Des Moines Area Community College<br>Iowa | Business incubator with service contracts<br>Regional marketing center<br>Leadership conferences |
| 8. Kirkwood Community College<br>Iowa | Rural Diversified Enterprise Center<br>Rural enterprise clientele companies |
| 9. Southwestern Community College<br>Iowa | Agricultural federation (producers' cooperative) |
| 10. Labette Community College<br>Kansas | Business incubator |
| 11. Hazard Community College<br>Kentucky | Rural women's proprietorship program<br>Entrepreneurial program for dislocated coal workers |
| 12. Rainy River Community College<br>Minnesota | Service industry recruiting<br>Office automation niche marketing |
| 13. Northeast Community College<br>Nebraska | Rural venture capital network |
| 14. Roanoke-Chowan Community College<br>North Carolina | Business incubator |
| 15. Hocking Technical College<br>Ohio | Local economic development course<br>Community betterment projects |
| 16. Oklahoma State University-Okmulgee<br>Oklahoma | Advanced manufacturers' demonstration project<br>Productivity enhancement workshops |
| 17. Umpqua Community College<br>Oregon | Workplace literary partnerships |
| 18. Northeast Texas Community College<br>Texas | Procurement program<br>Model community college economic development program |
| 19. Southside Virginia Community College<br>Virginia | Employee-to-stockholder business start-up |
| 20. Blackhawk Technical College<br>Wisconsin | Rural enterprise diversification |

Readers will find in the local profiles several observations of importance to those contemplating similar programs in their own rural areas. These findings include the following.

1. Leadership: The college president or board of trustees must take the initiative to commit the college to a greater role in economic development and support that commitment with staff, funds, and facilities.

2. Public awareness and education: Public awareness is critical because it legitimizes the program, creates demand for future activities, and instills program recipients with a good sense of self and well-being.

3. Staffing: The program staff are generally a departure from academic faculty. In every sense, real practitioners with firsthand experience and local knowledge must be the ones to teach or otherwise interact with local participants.

4. Regionalism: The community college is in a particularly unique position to help a county or a multicounty area overcome competitive barriers between communities and build trust. This is critical to success in rural development efforts because of the need to maximize scarce resources.

5. Linkages: Linkages with traditional economic development organizations, however they occur, are critical. They may include coordination or partnerships in grant solicitations, program administration, referrals, shared staffing, organizational memberships, coresearch, joint workshops and seminars, and shared mailing lists.

6. Information needs: Filling information needs was one of the easiest and most successful roles for community colleges. Examples included rural enterprise alternatives, educating rural bankers on small business loan programs, and developing a regional data base on available rural buildings.

7. Existing resources: Tapping existing resources, particularly local resources, must be an early and continuing function of the development effort. Educational resources (staff and students), business resources (money and equipment), community resources (organizations, power brokers, contacts, and referrals), and all other local resources should be considered.

8. Funding: Successful programs have utilized a wide variety of funding sources. Locally, college funds, private corporations, local governments, and community organizations have all contributed substantially. At the state level, departments of vocational education, economic development, and agriculture have funded programs as well as state community college boards, state legislatures, and state programs to deliver Job Training Partnership Act funds and Small Business Development Center funds. Nationally, the Economic Development Administration and the Department of Health and Human Services have funded projects. Agricultural associations and private foundations have also been funding sources.

9. Targeting: Only a few efforts could be found of programs that specifically targeted women, minorities, or the rural poor.

10. Evaluation: Programs that reported a strong evaluation component seemed to have a stronger sense of future direction and plans.

As a final observation on the local programs, one of the most interesting aspects of their innovations was the evolutionary movement of several of them toward fostering new organizational arrangements for entrepreneurial or business development. Examples included college assistance to help program recipients form marketing cooperatives, business associations, growers' cooperatives, and "rural enterprise clientele companies." As rural businesses start, as existing businesses become more productive, as farmers diversify and start new enterprises, all of the activities are accomplished by growth of the individuals involved. As these individuals start thinking alike and more progressively, they become more receptive to enhancing rural self-reliance values with cooperative and support organizations.

Observations on Statewide Programs

The rural focus and the diversity found in locally initiated programs were not reflected in statewide programs. Of the 19 statewide programs considered, only 3 were explicitly designed to serve rural areas. Most of the statewide programs were either strictly customized training programs or had significant customized training components. This focus on customized training is not surprising, given that states that have had past success in attracting outside industry, such as North Carolina and South Carolina, have credited their success to the job training services provided by their community colleges. Success breeds imitation, and a number of states have responded by supporting the development of customized training capacities in their community colleges.

Other services and programs represented in the statewide models included efforts to provide business assistance, support small business development, promote technology development/transfer, identify national and international markets, and encourage import substitution. Rural-focused programs provide job training and employment assistance to those displaced by the farm crisis and offer coordination and leadership to local economic development efforts. A few interesting programs dealt with the broader issue of building community college capacity to support local and regional economic development efforts.

Although states seldom make rural/urban distinctions in economic development policies, administrators cite a number of differences as programs are implemented. Rural community colleges operate with a smaller resource base, yet take on a more expanded role in community development. Tax dollars allocated to economic development must stretch further. Moreover, most state programs assume a size of scale that does not exist in rural areas. While rural communities and their colleges have been creative in working around these problems, states need to be more deliberate in designing programs adaptable to the smaller population base found in rural areas.

The review of statewide programs leaves an important issue to be addressed in the future. Much of what states are encouraging through customized training is business-education partnerships from which a community benefits through local economic growth. Rural communities do not necessarily have businesses of sufficient size and quantity to justify this as the only strategy by which

to pursue local economic growth. In fact, research conducted into rural communities that are thriving suggests a broader strategy in which entrepreneurship, diversified agricultural products, productivity enhancement, and import substitution play as large a role as industry recruitment. Partnerships between education and communities may be more supportive of this diversified strategy than the customized training programs that focus on only one component of economic development. States should consider programs that support this broader approach, focusing on the larger role community colleges can play in local economic development.

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# SECTION 1

## LOCAL ECONOMIC DEVELOPMENT INITIATIVES BY RURAL COMMUNITY COLLEGES

CALIFORNIA

## TWO-PARTY GRANTSMANSHIP LEADS TO INNOVATIVE JOINT PROJECTS
## MERCED COLLEGE, CALIFORNIA

Merced College, located in Merced County, has a service area of approximately 2,000 square miles and a population of about 166,000 people. The City of Merced and its adjoining area include about 50,000 persons. The county's economy is mostly agricultural, including dairy products, almonds, corn, and cotton. Castle Air Force Base is in the county and employs 5,500 military and civilian personnel.

Merced County has had a persistently high unemployment rate (over 10 percent) due largely to the seasonality of agricultural work and recent downturns in agriculture. There is also a very large population (over 10,000 persons) of Southeast Asian refugees in Merced County. In response to the economic distress within its service area, the college joined forces with the Merced County Office of Economic and Strategic Development (OESD) in a number of innovative projects. Three of these projects are described below. They are:

- Small business government contracting project
- Family day care providers project
- Agricultural trade development project

"These three projects were initially suggested by OESD. Our college president is a member of the local Economic Development Advisory Committee, so he is very supportive of the college taking an active role."*

### SMALL BUSINESS GOVERNMENT CONTRACTING PROJECT

The first major successful partnership was a one-year special project in 1986-1987 to assist local small businesses win a greater share of federal and state government contracts and subcontracts. The county's largest employer is Castle Air Force Base, and only a tiny portion of all contracts had been going to Merced County businesses. Also, there are several other major Department of Defense contractors close to the county.

"It has also helped that the college and the OESD director have a mutual orientation and familiarity with grants writing. We speak a common language. We both believe that together we can accomplish much more than we can separately."

Classes and workshops were used to educate business people in the government procurement process. Workshop topics included "Selling to the Government, an Introduction to Doing Business With the Federal Government" and "Subcontracting Opportunities for Small Businesses." A class in "Small Business Government Contracting" was developed and presented.

* ON THIS AND ALL OTHER PROFILES, THE QUOTATIONS ARE FROM THE CONTACT PERSON(S) LISTED AT THE END OF THE PROFILE.

## Outreach, Delivery, and Staffing

The government contracting training program was marketed through the news media, flyers, and an OESD newsletter. The project coordinator also spoke to chambers of commerce and to civic groups to invite participation.

Three half-day workshops were held at local banquet rooms in two different communities. Participants were charged $15. The workshops, which lasted about six hours, were used to provide an overview of government contracting and to market the classes, which began two to three weeks later.

"It is important to hire the right people--in this case, people who know about the government procurement process. Try not to reinvent the wheel. For instance, we found a college in the East that had already developed curriculum for a class on government procurement."

The coordinator for workshops and classes was a retired Air Force Colonel who had both government procurement experience and a strong background in management and educational systems. There was also an administrative assistant. Each worked a 30-hour week for the nine months of the project.

## Participants

"This one-year project was also very important in linking area businesses with a new Procurement Technical Assistance Center that was initiated at OESD at about the same time. The center is now providing one-on-one assistance to businesses in a three-county area."

Participation in the government contracting project included 94 individuals who attended the workshops and 49 who registered for the classes. The County Procurement Technical Assistance Center also enrolled 125 businesses in its new program, partly due to increased awareness generated by workshops and classes of the government contracting project.

## Funding

The Merced College portion of the government contracting project was funded by an Employer-Based Training (EBT) grant for $51,000 from the Chancellor's Office of the California Community Colleges. OESD also received a grant ($75,000) from the Defense Logistics Agency (DLA) and a small amount of additional funding from the Merced County PIC to set up the Procurement Technical Assistance Center.

## FAMILY DAY CARE PROVIDERS PROJECT

"In the case of the day care provider project, California's GAIN (Greater Avenues for Independence) project was also a key initiator. GAIN is California's version of the new welfare/workfare program."

The next major partnership project for Merced College and the OESD was the Merced Family Day Care and Economic Development Project first run in 1987-1988. The goals of this project were to select and train low income parents who could become high-quality child care providers in their own licensed home operations. The project was aimed at generating a reasonable income level for the child care worker while also opening up needed child care services for other welfare parents.

The main part of this project was an intensive five-month Child Development Associate (CDA) related training

program. Classroom and field work included courses on business management, nutrition, safety, infant and child development, family and community resources, and others.

Outreach, Delivery, and Staffing

"The approach we used worked very well. We had a number of people from the state capitol down to look at that project. It has received high visibility because it accomplishes several things--it trains people for jobs, it's a cooperative venture, and it helps answer the child care problem for other GAIN participants."

Participants were recruited from the GAIN (Greater Avenues for Independence) program, community-based organizations, local unemployment office, the Private Industry Council, child care groups, and church organizations. All participants were required to be GAIN eligible (receiving public assistance through the Aid for Dependent Children program). Announcements and leaflets were used in local stores, libraries, recreation facilities, and newspapers. Great emphasis was placed on screening applicants for ability, motivation, and stability.

The training was for 20 weeks, 5 days per week, 7 hours per day, followed by 6 months of individual support to assist with achieving CDA certification. Staffing consisted of a full-time project director and assistant.

"The CDA certification is not yet complete, but several of the participants are expected to go into business this fall."

Participants

There were 23 women in the day care provider training project; 21 successfully completed training.

Funding

"The family day care and economic development project was so successful that it is being repeated in 1988-1989."

The day care provider training project was funded by a supplemental grant from the state GAIN program of about $50,000. A second project, modeled closely after the first, was also recently funded for approximately the same amount. The second project will focus on the western half of Merced County.

## AGRICULTURE TRADE DEVELOPMENT PROJECT

This major joint effort began in September 1988. The Trade Development Education Program was designed to assist area agribusinesses secure a greater amount of trade in foreign markets, thereby reducing local unemployment as well as increasing local exports. Workshops, seminars, and credit classes; a trade information data base; a library of resource material; and ag business assistance in trade-related areas are all scheduled as a part of this one-year program.

Outreach, Delivery, and Staffing

Marketing of the trade development project will be done by OESD and the college. The college has planned three ag trade technical workshops as well as development of materials on ag trade regulations, practices, marketing

leads and sales, and federal and state funding sources. Two short-term credit courses in agricultural exporting will also be offered.

Key staff include a project coordinator and trade specialist (both full-time), support from a business and a financial specialist (each 25 percent), a clerical assistant (50 percent), and one instructor from the college (20 percent).

Participants

Projected participation in the trade development project includes 75 businesses receiving market development assistance, 25-50 attendees at each of three technical and training workshops, and up to 60 participants in the two short-term courses in trade managerial and communication skills.

"When the college's Director of Research and Development first started at the college, he and the executive director of the OESD met to discuss their mutual interest in grants work. They began to see that cooperative ventures were possible."

Funding

The ag trade development project was funded by a grant for $78,000 from the Chancellor's Office of the California Community Colleges.

Linkages

"The most important key to success is for the community college to have an ongoing, cooperative working relationship with the local economic development group."

All three projects represent close partnerships between Merced College and the OESD, combining effort, resources, and services. In each of the three projects, staff have been or will be located in the OESD offices to provide for close coordination. Sharing office space also allows for day-to-day access to specialists such as the ag business and procurement specialists. For the day care provider training project, close coordination also occurs with the local Community Action Program and the GAIN program. The ag trade development project will also interface with the local PIC, County Farm Bureau, and local chambers of commerce and state agencies.

Contact

Don Curtaz, Director of Research and Development
Merced Community College District
3600 M Street
Merced, California 95348

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Materials available to a limited number of colleges include course outlines and other materials used in the procurement project and in the ag trade development project, sample publicity, and a summary report on the procurement project. At the conclusion of the family day care project, there will be descriptive materials available for dissemination.

COLORADO

## BUSINESS TRAINING FOR RURAL COTTAGE INDUSTRY OPERATORS
## MORGAN COMMUNITY COLLEGE, COLORADO

Morgan Community College is located in the South Platte River Valley in northeastern Colorado. The service area for Morgan Community College encompasses over 11,000 square miles, including all of five counties and portions of two other counties. Over 50 percent of the students served by Morgan Community College attend classes in off-campus sites.

When Colorado was at the height of its farm crisis, in the mid-1980s, Morgan Community College administrators observed that farm women were trying to supplement their family incomes through their hobbies or small home-based businesses. The college approached the state board with a request for a small grant to prepare one-day marketing seminars for cottage industry operators, and the request was met.

In 1985 one-day seminars on "marketing cottage industry products" were offered in two separate regions. To generate lists of invitees, all area development groups, chambers of commerce, church groups, women's organizations, farm organizations, and others were contacted. About 80 people participated. Enthusiasm from this first effort convinced the college of the need for a broader program.

The broader program that developed became the "Your Craft and Home Business" program. This is a course primarily for farm and ranch wives who wish to turn a craft or hobby into a small business to supplement their family incomes. The "Your Craft and Home Business" program became the focal point of the college's cottage industry efforts and has been held for three years now with great success. Examples of topics covered in the course include self-evaluation, developing a business plan, marketing your product, pricing, and copyrights.

An important thrust of the program has been to get attendees organized into marketing co-ops. In one of the two regions this has occurred. The college is currently applying to the National Association of Cottage Industry Operators for approval for the college to lead a state chapter of this organization.

"The stateside push for entrepreneurial development was not really addressing many of the farm and rural people. We got terrific response from our state board on the idea of courses or seminars on home businesses. The state board gave permission to develop the idea as a statewide program, crossing service areas. We really didn't have turf problems. Other colleges were glad we had gotten some funds and could help in this way."

"Our consultant was a woman from Denver who was herself a cottage industry owner as well as an educator. We talked to her about crafts production, which was her expertise, and how to design a seminar to help others turn this from a hobby into a money maker."

"The response the first year was fantastic! It was the first time people had seen anything that really pertained to what they were doing! Nobody had been meeting their needs. If they had gone to a traditional small business center, they would have been treated as if they were already a small business rather than a home business that was just starting out."

"The organizational thrust would definitely be breaking new ground for the college."

## Outreach, Delivery, and Staffing

Based on the initial one-day seminars in 1985 and the evaluations of participants, the format for "Your Craft and Home Business" was established. It is a four-week winter course consisting of four one-day seminars. There is one primary instructor who is a consultant and four other part-time instructors who are college employees and experienced in small business.

## Participants

"Many people are coming for the third year in a row. Those who have come every year receive a more advanced program, with new materials."

The seminars run from 10 a.m. to 3 p.m. and include a working lunch. The cost is $24 per participant. The course has been offered at three different locations each winter for three years. To date, the "Your Craft and Home Business" program and advanced seminars have been presented in eight communities to hundreds of home-based business owners in rural Colorado. Ninety percent of the participants served have been women. Many of the participants operated a cottage industry before attending the seminars, and at least 12 new businesses were started after individuals attended the seminars.

"One thing we could have done differently, and will address in the future, will be to track our participants better. We could have gotten much more information initially about these people and their needs than we did."

Definite benefits have accrued to participants. For example, a few food producers have tapped into grocery chains. Some craft producers are now in catalogs. A pinto bean producer designed a special burlap bag with soup recipes to help sell the beans, and this major change in marketing was very successful.

## Funding

The first grant in 1985 from the State Community College Board was for about $8000. Continuation grants from the same source have funded the seminars at about $5000 per year each year since 1985.

## Linkages

"Because we're a community college, we had the network already there through providing adult community education. We share ideas at these meetings and try to help each other out. Without those contacts we wouldn't have been able to do what we've done."

At the outset of the project, the college's Community Education Coordinator asked area development organizations to suggest invitees. During the first one-day seminars, area development specialists were asked to serve as presenters during breakout sessions that followed the consultant's main presentation. This brought economic development groups into the program at its earliest stage.

On an ongoing basis, the Community Education Coordinator stays in touch with economic development efforts through attending the monthly meetings of community agencies within the county and economic development meetings in the region the college serves.

The state has recently opened nine small business development centers (SBDCs) that are operated through community colleges. Because it has long had a strong presence in economic development, Morgan Community College was the recipient of one of these centers. The rural cottage industry project will coordinate its program offerings with courses offered through the SBDC. Future plans for 1988-1989 include producing a workbook entitled "Business Management Skills for Rural Home Based Business Owners." Courses will also go beyond the crafts to include home-based service businesses. Desktop publishing has emerged as a course for 1988-1989 in addition to the successful craft and home business courses.

Contact

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Materials available include information on how to write a business plan, lists of wholesalers or people to contact to help market products, and lists of small business assistance centers.

IDAHO

## FARM BUSINESS MANAGEMENT PROGRAM AND RURAL COMMUNITY REVITALIZATION
## COLLEGE OF SOUTHERN IDAHO

"One reason I continue to work in the community college setting is because community colleges are the most flexible part of higher education. As the college recognized the importance of economic development, it could respond quickly by reallocating resources toward new programs. Now, other states are showing an interest in using our curriculum."

The College of Southern Idaho (CSI) is located in the south central part of the state, known as the Magic Valley. The service area includes eight counties and about 7,800 square miles, an area with a population of about 129,300 people. The region's economy is predominantly dependent on irrigated agriculture. When the economy of the region and the entire state began to slide in the mid-1980s, CSI started looking for new economic development initiatives. Two key results were the Farm Business Management Program and the Rural Renaissance Program.

### FARM BUSINESS MANAGEMENT PROGRAM

In the early 1980s, the Idaho Wheat Commission first got involved in trying to use computer capability to assist area farmers and ranchers better manage their businesses. Computers were lent to farmers, and the College of Southern Idaho (CSI) began teaching business management techniques with an agricultural flavor in a three-year model program. The emphasis was to be on record keeping and the use of farm records for decision making.

"The most important key to success in the Adult Farm Management Program is the linkages established prior to the beginning of the program. In this case, the linkage among State Department of Vocational Education, College of Southern Idaho, and University of Idaho was imperative. In addition, linking those public entities to the private sector prior to the start of the program was important (i.e., CPA, Farm Bureau, etc.)"

As the program evolved, CSI developed a set of 33 modules for a three-year farm records management program as part of a cooperative joint venture among the Idaho State Department of Vocational Education, the University of Idaho, and CSI. The Idaho Department of Vocational Education obtained grant money that had been earmarked for a statewide farm management curriculum and program to pay for instructors. The University of Idaho provided staff to develop the software program from a software package developed by the University of California-Davis. Five sites were selected to receive the program. Two of these sites (Twin Falls and Burley) are being managed by CSI. The other three sites are being managed by other vocational schools.

The three-year program is designed to help southern Idaho farmers develop, maintain, and effectively utilize farm records. Several agricultural computer software programs are used by the participants. The first year focuses on developing and maintaining good farm records. Years 2 and 3 are spent in analysis and decision-making processes by the students. Eleven of the 33 modules are covered each year.

"Several farmers and ranchers are now considering alternative crops. For example, one group is evaluating growing herbs. They have learned some analytical skills that help them, and they are better at planning and avoiding mistakes."

"Public awareness to the program is of extreme importance. Not only does a strong public relations program provide a sense of well-being for the participants, but it sets the stage or creates the demand for future activities. This process of marketing the program prior to and during its operation is important for the success of the farm family participants."

"The computer can be a pitfall. In the early stages, some people were attracted to the program because the computer was held out kind of like a carrot. We found you need to teach them how to do it with pencil and paper first so they understand where the numbers are going, and why, and how they get onto certain reports that come out of the computer. The computer isn't a panacea--in fact, it doesn't even make record keeping any easier. It certainly can make your analysis better. But record keeping is record keeping, and it's hard with or without a computer, and it requires a very consistent person to do it."

"It's been very interesting to watch the husband-wife reaction. For some wives who have been balancing the checkbook, seeing the money go out but not understanding why, the process has been a great boost to their self-esteem. 'Business English' has been added to the curriculum because some of the women wanted to be able to write better business letters."

The program is also supplemented through complementary agriculture programs at the college. For example, mini-classes are given on agricultural diversification. Farmers and ranchers learn from those who have successfully diversified, including the benefits and pitfalls of various alternatives. One such presentation brought about 50 diversified farmers from South Dakota to California to CSI to tell their stories. There were 300 local farmers and ranchers who attended that program.

## Outreach, Delivery and Staffing

About half of the participating farm families enrolled as a result of active recruiting by CSI's Agricultural Department. Outreach included newspaper articles and talks given at Chambers of Commerce that were agriculturally oriented. Other clients signed up because their banker or accountant recommended that he or she take the class. Students are selected on the basis of desire and needs.

Currently there are 68 families taking the program, with 15 in Year 1. The cost is $200 a farm unit, and spouses are encouraged to attend. If a family wishes to learn the computerized record keeping and accounting, they must also purchase the computer. However, the instructors will help them select the right system generally at a cost of about $2,000. They also have the option to use record books and no computer.

Classes at the two community sites begin at the end of October and continue through March. They are given once a week, from 9 a.m. to 4 p.m. There is ongoing support as participants work on their records, since instruction the second year is highly dependent on getting a good set of records from the first year. Staff either go out to the farm if there is a problem straightening out the records, or the farmer comes to the college for help. The average commuting distance is 20 miles. Sometimes printouts are mailed to the instructors. They check them for accuracy and mail them back, maintaining strict confidentiality.

## Participants

A total of 131 farm families have participated since the inception of the program. There is a three-year waiting list for the program.

Within the current group of 68 farm families in the program, approximately one-third of these farm family units came into the program with serious financial difficulties. Early estimates indicated that 30 percent would not be in farming within two years. Currently all

"Agriculture in south central Idaho has very, very strong roots which have traditionally not developed strong business practices. Therefore, any new program in adult farm management must have the correct faculty if it is to be successful. They must not only fully understand production agriculture but also agriculture management, marketing, and decision making along with education."

"Overall, we've held onto 75 to 80 percent of the farmers. They want the continued association with their peers so they take the third year over again. They start thinking alike, and more progressively, so they want to maintain that association."

"I see this as one of the most positive things we've done here in agriculture. One of the best things we can do is support those who have managed to hold on. It's a very positive thing for their children, too, many of whom have been turned off by agriculture in the past. And it makes our other students aware that agriculture is more than just production."

"In Buhl (population 3,600 persons) the major employer currently is a Green Giant Cannery that processes sweet corn. But the community no longer wants to accept as a given the cycles of an agricultural economy. For example, Buhl overlays an aquifer that has allowed the development of a highly competitive aquaculture industry. In fact, the area is the largest producer of rainbow trout in the world."

68 farm families are still in production agriculture, and most indicate at this time a significant strengthening of their financial positions.

The program is staffed by one administrator and three part-time adult farm family faculty. The three part-time faculty are agricultural producers themselves who also have degrees in business management. They are trained at CSI and taught how the modules should be delivered, and how the software should be incorporated. Sometimes training in general accounting practices is needed.

Many of those who have finished the program have reenrolled. After enough have completed the third year, the College plans to help a Farm-Business Association get started. The Association will be self-supporting but the college will help, for example, by keeping them informed of the programs that come to the college which would be useful to them in upgrading their skills. The college is currently looking at a set of sample bylaws for such an organization.

Funding

Originally, funds to start the program were received by CSI from the Idaho Wheat Commission and Idaho's State Department of Vocational Education. The Idaho Wheat Commission contributed $10,000 each year for three years. The balance of the budget was made up by State Department of Vocational Education and College of Southern Idaho funds. Currently the program at the College of Southern Idaho has a budget of approximately $50,000 per year--cash and in-kind--and is funded by the State Department of Vocational Education. New programs in other areas of the state are being started with seed money from the legislature and the State Department of Vocational Education.

## RURAL RENAISSANCE PROGRAM

The State of Idaho has become increasingly concerned with economic development for its small communities in recent years. In 1987, Idaho State University's (ISU) research director became aware of grant monies for model rural area demonstration programs being made available by the Northwest Area Foundation. The Northwest Area Foundation is a philanthropic organization that sponsors projects in its eight-state area to assist economic development in rural communities. ISU approached CSI to write a joint grant request, since CSI is in Idaho State's service area.

The grant was funded in late spring of 1988. Under terms of the three-year grant, three communities have

"How can you bring the potential leaders, the young people who are leaving, into the development process and make them part of it for a long-term effort? These are hardworking, agrarian folks--hardware store owners, ranchers, farmers, utility operators, local officials--and they're donating their time. And when it comes to something like conceptualizing the process and alternative outcomes of rural economic development, it's really hard for them to deal with it. It's really a full-time job, but most smaller communities don't have the resources to hire someone."

"The outcome of the project will be as big or as little as the community wants it to be. We're not there to do it for them. We're there to facilitate and guide."

"We hope that after three years, as a result of local leadership development, there will be a strong capability to function without direct assistance. The local people will recognize the value and importance of economic development so that they continue to fund a full-time position in the community."

"We'll be documenting what worked and didn't work. This is a lot like a research project, and we want to measure and document its results. The Foundation also has an external evaluator who will be looking at the project, using economic indicators and other factors to measure its impact."

been targeted as demonstration sites. CSI is administering the program at one of those communities (Buhl, Idaho), and the other two communities are being administered by ISU.

The purpose of the grant is to enable the target communities to put together a process that will allow economic development planning and implementation to take place. Under the project the unique resources of the community are going to be examined as a strategic plan is prepared.

Specifically, the Rural Renaissance Program's objectives include:

- Improving the ability of local leaders to direct revitalization efforts in their own communities. Local teams will be the coordinating and facilitating groups. Workshops and training seminars will be used for capacity building.
- Preparing a community business inventory and identifying strengths and weaknesses.
- Determining where the community wants to go with its future and helping it set its economic goals and make fuller use of available services and programs.
- Ultimately, increasing the number of jobs and the tax base in the area.

## Outreach, Delivery, and Staffing

Originally, nine communities were nominated by CSI and ISU; three were ultimately selected. The communities were chosen on the basis of their resource potential plus the readiness of community leaders to embrace a planning and development process. A full-time coordinator will be hired and will be a CSI employee. Their office will be in Buhl. Support staff will be contributed by the College and by the City of Buhl. Technical assistance will come from Region IV Development Association. Clerical support will come from the City of Buhl. The program will also make extensive use of specialists--for example, consultants on rural tourism or development of retirement centers.

## Funding

The total grant from Northwest Area Foundation was for $300,000 for a three-year period. It will be divided equally among the three communities. In addition to the $100,000, the City of Buhl's program is receiving cash and in-kind contributions from the City, the College of Southern Idaho, and Region IV Development Association

"The staff in the Region IV Development Association are extremely helpful people. They may be the only ones in the region who really understand economic development. They're experts at it."

amounting to $50,000, making a total of $150,000 available for the three-year project. In Year 2 there may be additional funds generated from local fund-raising efforts to use for a broader program.

Linkages

An important partner is the Region IV Development Association. They helped CSI write the grant, and they are a participating party. Also, the Idaho State Department of Commerce has a "Gem Cities" program that has many of the same objectives as the Foundation's project. The College's program will work closely with the state to utilize the Gem Cities program.

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The Farm Business Management Program can make its curriculum available to other colleges. The Rural Renaissance Project will result in policy papers to enable other communities to replicate the process. Documentation will be available at the conclusion of the project. There is an executive summary of the proposed project that is currently available.

## INTEGRATED ECONOMIC DEVELOPMENT SYSTEM
## DANVILLE AREA COMMUNITY COLLEGE, ILLINOIS

Danville Area Community College is located in east-central Illinois and serves 100,000 people in parts of five counties. The area is predominantly composed of small agricultural towns. Danville is the largest city with a population of 36,000.

"Initially the college got involved in economic development because nobody else was doing it!"

The recession that began in 1980 hit Danville hard. Area unemployment climbed to 18 percent, and several area firms shut down or relocated. Responding to the economic downturn, the college formed a Business and Economic Institute (BEI) in 1980 to serve as the focal point of the college's economic development initiatives and to provide a professional service for community economic development, including the delivery of job training programs.

"The corporation was established as a proactive response by the college and the community. We wanted to arrest and reverse the manufacturing decline in our area."

Shortly after its creation, the BEI held symposiums on economic development and labor-management cooperation. The impact of these symposiums was tremendous, and they became the catalysts that encouraged area leaders to take control of their economic future.

"The community recognizes the importance of economic development as evidenced by the fact that numerous businesses and industries donated to DAEDC's initial fund drive."

The first activity area leaders undertook was creation of the Danville Area Economic Development Corporation (DAEDC) in 1981. The nonprofit corporation's mission is to reverse the decline of the area's industrial base and to help it expand. The DAEDC does this through its retention/expansion program and by implementing marketing strategies to attract new businesses. Area enthusiasm for the DAEDC was demonstrated when the area raised an amazing $490,000 in the corporation's first year.

Another significant step was creation of the Danville Area Labor Management Council (LMC) in 1981, after the college's labor management symposium. The council includes equal numbers of management and labor representatives. It works on projects that increase labor-management cooperation and improve the area's human resources. Most important, the LMC has turned around the area's "bad labor" image. One specific accomplishment was selection of Danville as the site for a new Illinois correctional institution which added 400 new jobs to the area. The LMC was able to guarantee no work stoppages during the construction of the correctional facility, which was a major factor in the state's decision to place the facility in Danville. The LMC also provided the leadership for the retention of 860 jobs at the Hyster Corporation and 700 jobs at Bohn Heat Transfer, both in Danville.

"One of the things that the corporation discovered very early when they were out there trying to recruit new industries into the Danville community was that Danville had a very poor labor image."

"Because the community college serves as the core of the economic development effort, multiple communities can tie in too. So it's not just one community effort, it's a regionwide effort."

Other BEI milestones include the establishment of a Small Business Development Center (SBDC) in 1986 and the creation of several successful industry training programs. The SBDC provides one-on-one counseling to existing and potential small business operators as well as courses on creating and managing a small business. Today the components of the college's Economic Development System consist of the BEI, LMC, DAEDC, and the SBDC as well as operation of the area's Job Training Partnership Act Program.

The most recent innovation of the college's Economic Development System is the Industry Survival Project. The project is a joint effort of the BEI and the LMC. It brings to Danville a "Parade of Winners," firms that have turned their economic decline into success. By interacting with the management and labor teams that have produced success for their firms, Danville area labor and management are learning how to become more productive and competitive.

In the past year alone, the college's efforts are estimated to have created over 1,400 jobs and retained 3,480 jobs. However, the real success is seen as the long-term gains that are being made in worker productivity and capability as well as in greater community leadership.

Outreach, Delivery, and Staffing

The Economic Development System, with its variety of programs, reaches its participants in different ways. Nevertheless, the goal for each program is to reach the people in the most effective manner. For example, the SBDC is not operated on the campus, but rather on Main Street, where it is highly visible and near the businesses it serves. Perhaps the most important outreach tool of the community college has been the use of symposiums because of their success in motivating community leaders.

"The first step toward success is to get the entire community behind your economic development efforts. It takes the cooperation of everyone--the local community college, the area economic development person, the Chamber of Commerce, and city and county government. All must play a major role."

Altogether, the college employs 27 full-time people in the economic development programs including 23 people with the Job Training Partnership Program. The BEI has two staff members, and the LMC and the SBDC have one staff member each.

Participants

Danville Area Community College's development programs are targeted toward a variety of participants which include business, labor, and community leaders; small businesses; and the economically disadvantaged. In 1987, 10,930 people participated in its economic development programs.

"There is no doubt that the state grants have been instrumental in allowing us to get the Business and Economic Institute in place."

"Membership on the 30-member DAEDC Board requires at least a $5,000 contribution. Many members contribute significantly more than the $5,000 minimum."

"The corporation's annual operating budget has grown to $250,000. It is still solely funded by voluntary contributions."

"It was a seven-year process to get all these entities working and operating as a development team. It isn't something someone can do overnight."

"Our community college has been very closely related to our economic development corporation because the corporation grew out of the college's efforts. Our college president serves on the Board of the corporation."

"Our community college district recognizes the major impact DACC has had with regard to economic development. In November of 1985, the college was able to pass a tax referendum run on a platform that all additional funds would be used in the district's retraining efforts. This referendum passed by 75 percent in the City of Danville and over 60 percent in the rest of the district."

## Funding

Funding for the Economic Development System exceeds $2 million a year. The Job Training Partnership Program, which is funded through the federal Job Training Partnership Act, has the largest budget with $1.7 million. The BEI receives $39,000 from the college and $57,000 from the Illinois Community College Board's Economic Development Grant program. The SBDC receives $28,000 annually from the Illinois Department of Commerce and Community Affairs.

Funding for the DAEDC and the Labor Management Council is provided largely by voluntary donations. The 30 corporation board members each contribute at least $5,000 a year to the corporation. Currently the corporation operates on a $250,000 annual budget. The Labor Management Council has an annual budget of $15,000 and is funded by contributions and grants from the DAEDC and the college.

## Linkages

In all of college's economic development efforts the community as a whole has been involved. The college considers this community involvement the key to their success. Each program is an effort of the college's work and the work of business and community leaders.

Recently, monthly meetings of the economic development team have begun to coordinate the development activities. The team is made up of the heads of the DAEDC, the Labor Management Council, the Chamber of Commerce, the Job Training Partnership Program, the Small Business Development Center, the Business and Economic Institute, and the City of Danville.

## Contact

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Materials available from Danville Area Community College include numerous brochures outlining the major functions of each of the economic development agencies.

## FOCUS ON HIGH-TECH EXPERTISE AND RECRUITMENT
## ILLINOIS VALLEY COMMUNITY COLLEGE, ILLINOIS

Illinois Valley Community College (IVCC) serves a population of approximately 150,000 people in eight counties in north central Illinois. The area economy is divided between agriculture and manufacturing. Corn and soybeans are the most important agricultural products, and there is a variety of different manufacturing enterprises. The area is served by Interstate 80 and Interstate 39 highways and is located 95 miles west of Chicago.

Plant closures in the early 1980s helped drive the area's unemployment rate above 20 percent. Although the college knew it could survive the economic downturn, the Board of Trustees decided the college could play a role in creating an economic recovery. Led by a college president who had an interest both in economic development and in the future of the area, the college initiated an aggressive economic development program.

The IVCC has become a key player in the economic development efforts of the region. The college's regional leadership has been important in reducing fragmented economic development efforts and bringing about a truly regional approach to economic development. The college houses the Northern Illinois Industrial Development Corporation (NIIDCO), which is a regional organization that coordinates the economic development marketing of area communities. The college is visited by nearly all industrial prospects, and the college provides both a tour of its facilities and hosts a dinner for the prospect.

But perhaps the most important strategy, given the area's location for attracting new industrial growth, especially the new growth in the automobile industry, was the college's decision to create a high technology manufacturing environment that could successfully recruit new firms to the area.

In fact, the college itself has become the area's chief attraction for new industry. The college has established itself as a national leader in new manufacturing technologies. Heavy investments have been made in computer, computer-aided-design/computer-aided-manufacturing (CAD/CAM), and automated manufacturing technologies. The college's CAD/CAM systems are among the best in the nation with one system that operates on their IBM 9370 mainframe computer. The college allows local industry to take advantage of its equipment and expertise to develop new designs and manufacturing systems.

"The college saw a real need for economic development when we had a series of major plant closings. One of the plants that closed at one time employed in excess of 4,000 people. It slowly dwindled until it got down to about 1,200 people; then it announced it was closing its doors permanently. Almost immediately after that, we had another factory that decided to move to the Sun Belt, and that took with it 550 to 700 jobs."

"The Board of Trustees decided that there was much that this college could do to promote the economic recovery of this area. The governing board directed that the college administration was to do everything in its power to assist in the attraction of new industry and the retention of existing firms."

"As our staff began to address the economic development situation, we went to look at our local industries. It was apparent to us why we were losing jobs--we were not staying competitive! Our systems and equipment were antiquated! We said, 'Let's do what we can to bring the community along.'"

"Our college has been the subject of an 'Applications Brief' which IBM Corporation circulated to its customers worldwide, citing the sophistication of our computer operation. The article began, 'It may seem unusual for a small, rural community college situated

amidst the rolling cornfields of north central Illinois to have state-of-the-art computer equipment. However, Illinois Valley Community College (IVCC) is well known for its innovative educational programs and its academic excellence.'"

"We rekeyed a door closest to our CAD/CAM lab and gave a key to the InterLake Steel staff so that they could use our equipment when it was not being used by our students."

"The mayor of Ottawa, where Mistuboshi is locating, announced publicly it is his opinion that the college president's presentation was the deciding factor in attracting the firm. The vice president of operations for Nakajima USA Inc. confirmed in a radio interview broadcast throughout our district that the college and its eagerness to work with industry was one of two reasons why our area was chosen over otherwise equally advantageous plant sites."

InterLake Steel--through the use of the college's equipment--was able to win a $20 million contract with General Motors. Two new firms (Mistuboshi Limited, an industrial belts manufacturer and Nakajima USA, an office machine manufacturer) credit the college as being a deciding factor in their decision to locate in the area.

The college is currently building a $400,000 Automated Manufacturing Center that will greatly expand its expertise, training capabilities, and service to industry. The center will allow students to work with the latest technology in computer-aided-design, robotics, and manufacturing processes. Local firms will be able to use the center for "first-part proofing" production which will save expensive downtime on their production equipment. IBM entered into a partnership with the college in the development of the center and is contributing $250,000 toward its development. The University of Illinois-Chicago Engineering Department has entered into an agreement with the college that will allow its graduate students to gain state-of-the-art experience with flexible manufacturing and also to perform research. It is the goal of the college to create an industrial research park similar to those associated with major universities.

The IVCC is also involved in other economic development activities. Utilizing an economic development grant from the Illinois State Board of Community Colleges, the college hired a director of business and industrial training to coordinate customized training programs for existing and new industry. The college operates a Small Business Development Center, which counsels existing and new small businesses, and a Contract Procurement Center, which assists businesses in winning state and federal contracts. The college administers the regional Dislocated Workers Center through the federal Job Training Partnership Act and also a farm project for dislocated workers. Finally, the college participates in the Illinois State University Inventure Project, which helps people with invention ideas turn them into marketable products.

Outreach, Delivery, and Staffing

The college's faculty works with local industry to learn current training and technical assistance needs. Advisory committees made up of industry representatives also keep the college informed. In particular, the High Technology Advisory Committee made up of the chief executive officers of the leading local firms has guided the college's successful high technology manufacturing program. To build the high technology manufacturing program, nine faculty members, including the president, have worked actively on the effort. At least three to

"This college is the center for almost every prospective industrialist who comes to look at the valley as a potential site for a new industry. The college president is a major presenter at every significant meeting between a local development organization and a prospective industry."

four hours a month are spent working on the project by all the nine members.

The college has a commitment of involving everyone in the area's economic development. As part of that commitment, the college originates a weekly 15-minute radio show called *The IVCC Industrial Report*. The radio program informs people about local economic development activities.

The college employs 20 in its other economic development activities. There are 3 full-time and 1 part-time staff members with the SBDC. The Contracts Procurement Center employs 1 full-time staff member. An additional 11 full-time and 3 part-time employees work with the Dislocated Workers Program. Faculty and other administrative staff devote substantial amounts of their time to economic development projects including the president.

Funding

"Once a college establishes a 'high-tech' curriculum, it must be prepared to allocate the resources necessary to maintain and upgrade the sophisticated equipment such a curriculum requires. The college must also be prepared to fund the training costs associated with keeping its technical faculty up to date so that students receive the best instruction possible."

The board of trustees' support for economic development has been backed by an aggressive capital equipment spending program of approximately $200,000 annually and a faculty professional development program of approximately $12,000 to $13,000 annually. These equipment expenditures, as well as investment in faculty professional development, have enabled Illinois Valley Community College to develop its high technology manufacturing expertise. Donations of equipment have been important, including a donation by CADAM, a subsidiary of Lockheed Aircraft Corporation, of a $285,000 CAD software system. Fees are another important source of revenue for the college's equipment spending. InterLake Steel paid fees of $150,000 for use of the college's CAD/CAM facilities, and the college has several contracts with local governments for use of computer facilities.

The Illinois Board of Community Colleges economic development grant program provides $67,000 to the college. The grant funds the office of the director of business and industrial training. JTPA funds provide another $75,000 for job training programs. The Small Business Development Center received $68,000 in 1988, and the Contract Procurement Center received approximately $24,000. The SBDC also generates roughly $10,000 yearly in seminar fees.

Linkages

The IVCC takes a regional approach to economic development. The college works closely with both local economic developers from area chambers of commerce, cities, and economic development organizations. The college

"Our college is viewed as a regional unifying force. There used to be an attitude that if I can't have it, you can't have it. The college is regional; it is committed to the whole area, and people see the strength that it has and support the region."

"The High Technology Advisory Committee, which consists of the CEOs of the major industries in our area, would tell you years ago the college was not up to speed in terms of the kind of equipment, training, and the technical expertise needed by industry. But they would also tell you now the college is in the lead in high technology."

"Undoubtedly, the commitment of the president to economic development has been a key to the college's success."

maintains memberships with all the chambers of commerce within their district. The president works most closely with the college's industrial recruitment efforts, and the college feels the high-level open-door responsiveness the president creates is important to its success. The college also is an active participant in and houses NIIDCO, which supports a regional economic development marketing program.

Contact

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ILLINOIS

## GROWERS COOPERATIVE FOR AGRICULTURAL DIVERSIFICATION
## SPOON RIVER COLLEGE, ILLINOIS

Located in west central Illinois, Spoon River College serves 80,000 people in Mason, Fulton, Knox, Schuyler, and McDonough counties. The economy of this area has suffered both from losses in agricultural income and losses in coal production and manufacturing employment. In the 1980s, unemployment rates reached near 16 percent. Something was needed to begin to rebuild the agricultural base.

"With any new idea, such as alternative crops, there's a lot of talking about the possibilities. That went on for quite a few months."

In the spring of 1986, a small group of farmers approached the Spoon River College's Small Business Development Center (SBDC) with the idea of diversifying the local farm economy with alternative food crop production. The college's SBDC director met several times with the farmers and agreed to find a specialist to assess the feasibility of alternative crop markets. The consultant's work indicated an alternative food crop market could be developed and that a growers cooperative would be needed.

"The core group of farmers had always said, 'We know we can grow it, but we have to know if we can sell it.'"

"It was very important to the core group to find other co-ops and go to them--see their operations, talk to them, and see how it was running. The group went to several co-ops in other states."

It was apparent from the feasibility study that the cooperative could not think small if it was to be successful. Large production would be needed to create a viable market. Therefore, one challenge of the college was to overcome the producers' desire to start small and to find the resources that would allow the cooperative to start big. After several meetings the necessary commitments were secured, and the Spoon River Growers Cooperative was created.

The Spoon River Growers Cooperative now has 19 producer members with over 350 acres in food crop production. During the 1987 pilot year, the cooperative started with five members who had sales of $29,000. Projected sales for 1988 are $640,000. In addition to producing full- and part-time employment for its producers, the cooperative created employment for 3 full-time management staff and 50 seasonal workers.

"You have to research everything. Do not make any snap decisions."

The Spoon River College SBDC considers three factors critical to the success of the cooperative. First is the dedicated core of farmers who stuck by the project even when others provided discouraging advice. They did most of the work, and when it came time to put ideas into action they did it. Second was the feasibility study. Without the study little support would have been generated. The results of the study were important in securing loans and grants. Moreover, the study helped focus the energies of the core group of farmers on what

"The persons who had the original ideas stayed with it. They were marvelous because they never wavered. As a result, they have a consolidation center, they have a delivery system, and they have gone from 40 acres to 350 acres... I don't believe a project like this could make it unless you had that core group that was totally dedicated to seeing it happen."

"Our media people were extremely helpful. We invited all the local newspaper and radio people within the district to a meeting to present the feasibility findings. There was a lot of local cooperation to putting out the information."

would work and what would not work. Third were the linkages and communications established by the SBDC. The project awareness generated through public relations efforts paid off when it came time to solicit support from financial institutions and government agencies. Everyone was kept informed on the cooperative's activities and progress.

Outreach, Delivery, and Staffing

Creating enthusiasm for alternative food crops was not an easy process. The SBDC relied heavily on educational meetings to interest farmers in the possibilities for alternative food crop production. Staff of the SBDC worked with various community and farm organizations to generate interest. Particularly important groups were the Farm Bureau and the Cooperative Extension Service. However, the most important factor in the outreach effort was the core group of farmers who had started the idea rolling. Their interest provided the hook that got other farmers interested in alternative crop production.

One of the first educational meetings was with the local media. The media went on to play a key role in creating early awareness. Meetings were held over the entire community college service area with Farm Bureau groups, Extension groups, civic clubs, and any interested organization. The cooperative is continuing its outreach efforts, and the initial success of the cooperative should rapidly expand membership.

The cooperative has three types of memberships, a grower, an associate, and a special membership. Grower members have equity in the co-op through a one-time membership fee of $2,000 (plus an annual $25 renewal fee) and are eligible for patronage dividends. They have voting rights. Associates provide products or services which may benefit the co-op or its growers. A one-time fee of $500 is requested plus an annual renewal fee of $25. Special members are those who are interested in the co-op but are not selling a service or product. The membership fee is $25 annually. Associate and special members may attend membership meetings but have no voting rights.

The cooperative is run by a 10-member board of directors elected annually. Staff persons employed by the board of directors include a manager, marketer, assistant manager, and a secretary. The co-op manager hires all seasonal workers employed at the consolidation center. This crew reaches approximately 50 during peak times.

"We wanted to keep the money local if at all possible. For example, we tried to contact all florists to see if some of them would have greenhouse capabilities to grow seedlings."

The co-op board of directors meets monthly. Staff persons attend these meetings and report on activities of the co-op. USDA ag economists also frequently attend monthly meetings.

The cooperative is now fully self-sufficient. The SBDC played a major facilitative role by organizing meetings, maintaining correspondence, and record keeping. Currently the SBDC is helping the cooperative produce a marketing videotape.

Participants

The 19 producer members of the Spoon River Growers Cooperative are all farmers. Several have other nonfarm employment, and several produce traditional crops. At this time the cooperative is expanding, and during the fall and winter months members actively work on increasing membership.

Funding

"I don't think any institution can do something like this for somebody. You can pull it together, but they have to take the responsibility for it."

The Spoon River Growers Cooperative has received funding from a variety of sources including the Illinois Department of Agriculture and the Department of Commerce and Community Affairs. Early funding for the $3,000 feasibility study came from Spoon River College economic development grant funds which are provided to the college by the Illinois Community College Board. Also, the SBDC provided approximately $8,000 for educational programs on crop production, technical assistance, and organizational support such as printing. Recently the SBDC provided $1,300 for a marketing videotape.

"There was a lot of 'You can't do this.' But because the farmers, the core group of people involved, felt they could do it, a lot of the negative attitudes were simply overlooked. They went on to the next person who seemed more positive. You have to persevere to do this sort of thing."

Even more important than the public loans and grants has been the support of the members. Several members have privately contributed large sums to finance the cooperative. The cooperative has also arranged private bank financing to provide capital.

Linkages

The board of directors of the cooperative contacted the Agricultural Cooperative Service, Cooperative Development Division of the U.S. Department of Agriculture for technical assistance in developing projections and determining which crops to grow. This contact proved to be invaluable to the co-op, and the Cooperative Service has made a commitment to work with the co-op for a period of three years.

Also important were connections with other community college SBDCs and the state's universities. Local farm organizations and governments also were supportive.

The SBDC staff found it worthwhile to keep their area state legislators informed. The legislators not only helped the SBDC locate sources of funding but advised them on state sources of technical assistance. The SBDC worked with agricultural specialists from both the Department of Commerce and Community Affairs and the Department of Agriculture. They also kept the governor's Illinois Rural Futures Task Force informed of their progress.

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Materials available from Spoon River College SBDC pertaining to the Spoon River Grower's Cooperative include a synopsis of the feasibility study, linkages and funding sources, and names and addresses of the cooperative's board of directors.

## REGIONALIZING, INCUBATORS, AND RURAL LEADERSHIP
## DES MOINES AREA COMMUNITY COLLEGE, IOWA

"Legislators came to speak with a handful of community college presidents and to outline a plan for economic recovery. Our president has always been very much in the forefront, out in the communities seeing what the problems were and what the college could do to fill some needs. During the brainstorming, some legislative bill-writing people wrote up the bill as we came up with the idea."

"Let's say a company is eligible for $100,000--we sell tax-exempt certificates and have the $100,000 in the bank. As we do the job training, they invoice the college, and the money comes back to them. They pay their taxes as they normally would, but for a period not to exceed 10 years, those taxes are diverted to the college to pay off the certificates. It's a tax break for whoever buys the certificates, and we were able to get that exemption grandfathered into the federal tax reform legislation of 1986. We're the only state in the nation with that capability."

"Since Greyhound, there have been 79 more companies that have taken advantage of the program at DMACC. It has created 7,284 new jobs and generated a first-year annual payroll of $87.1 million."

"It's been very successful. With the data base, we know all of the companies in the state. A company overseas can call into any center and within a couple of minutes have a list of those companies with the capability to manufacture the product they want."

Des Moines Area Community College (DMACC) has a service area that encompasses 11 counties and 117 communities in central Iowa. In 1983, when Iowa's economy was in one of its worst crises with high unemployment and farm failures, a few state legislators convened a meeting of selected community college presidents to solicit ideas for job generation programs that the state could encourage but that would not require additional taxes. DMACC's president was a participant in those discussions, and one result was the Iowa Industrial New Jobs Training Program. This program allows a company to use half of the withholding taxes generated through new jobs and all of the incremental property taxes generated by new industrial development for up-front job training for a period not to exceed 10 years.

In 1985, Greyhound Corporation approached the Iowa Department of Economic Development about relocating its headquarters to Des Moines, thereby creating 900 new jobs. The state contacted DMACC. Because of the size of the training package at stake ($1.9 million), DMACC created a new entity within the college, the Economic Development Group (EDG), to run the project. The Greyhound training was successful and was the first catalyst for a dramatic expansion of the college's economic development role.

Also in 1985, the State of Iowa set up 15 Regional Coordinating Councils (RCCs) along the same boundaries as the 15 community college districts. These councils are composed of leaders from government, academia, and business and were intended to provide a forum for cooperation and coordination among economic development interests. Each RCC manages one of 15 Regional Satellite Centers, which are connected to the state's Primary Research and Marketing System in the Department of Economic Development. The purpose of each center is to serve its region by providing assistance to local businesses in marketing their products and services throughout Iowa and in national and international markets. A comprehensive computer data base of Iowa products and services acts as an information network to facilitate sales transactions.

DMACC's service area became the Area XI Regional Coordinating Council. At this time, and through the EDG structure, the college was able to bring together contract training, continuing education, and economic development. Numerous programs have since emerged; of

particular interest are DMACC's satellite center, rural incubator projects, and community leadership program. These initiatives are highlighted below.

## GOLDEN CIRCLE SATELLITE CENTER

"Regional economic development will work if everyone trusts each other. We have to overcome two points of view: that Des Moines wants to capture all the business in the area, and that the rest of the world wants to capture all of Des Moines' business."

A regional "Golden Circle" concept already existed because a few years earlier a Golden Circle Organization had been formed to provide a forum for cooperation among communities within a 50-mile radius of Des Moines. The satellite center concept was merged with the region's Golden Circle concept. When the two initiatives were merged, they became the Golden Circle Satellite Center. All of DMACC's service area and all of the rural communities were brought into the Golden Circle. It became a regional approach to marketing.

### Outreach, Delivery, and Staffing

When the Golden Circle Organization merged with the Satellite Center program, the region shifted from a task force to a board of directors. The Board represents 15 counties in central Iowa and is composed primarily of Chamber of Commerce executives and industrial development organizations.

"Executive Call was important because it enabled communities to get in touch with their industries. And from the program we found out the region had had an 8.5 percent increase in new jobs, whereas the national media were looking upon Iowa as a vanishing wasteland."

One successful program has been "Executive Call," a survey of existing industries which enabled communities to learn how to survey their industries and use the information in marketing, as well as in meeting business expansion and retention needs. About 60 percent of the communities in the region used the program the first year.

"Iowa's bankers know how to make loans on ag--they can do that in their sleep--but what frequently happens is that an entrepreneur will walk into a bank and ask about a certain small business program and the banker will be uncertain about it. And the person will leave town or the idea will just be lost."

The Center sponsors an annual international trade show. In cooperation with several other agencies, the center also plans to have a bankers' seminar to talk about alternative financing methods currently available to encourage new enterprise development and entrepreneurship. This is viewed as very important in rural Iowa because most small town bankers are only familiar with agricultural loans and financial arrangements.

The Center is staffed with a full-time executive director and a full-time secretary.

### Funding

The Center is funded as a public/private partnership between the Golden Circle Organization and the Regional Coordinating Council (RCC). Iowa's Golden Circle is a nonprofit private organization, and the RCC is a public organization. The center's annual budget is approximately $100,000, of which about $70,000 comes from the private sector and $30,000 comes from the Iowa Department of Economic Development through the RCC. The

"My advice to someone else is to establish a network of like-minded individuals. And proceed slowly with the definition of what you're trying to accomplish as a region and the steps needed to do that. Use a decision-making process that is based on consensus. Communication is the key--include everybody in the decision making. And I wish I'd have used more volunteers to raise funds from each community too."

private funds are raised through solicitation of Chambers of Commerce and industries primarily, and about 35 communities participate. Community contributions are prorated by population size, with the Des Moines corporate community providing 50 to 60 percent of the total Golden Circle contribution.

Through DMACC, the state's "Jobs Now" equipment fund has made over $15,000 available to the center for office needs. In addition, grants have been obtained from the Iowa Department of Economic Development to conduct various rural projects such as rural community import substitution workshops, joint area JTPA/DMACC information sessions, and statewide "Buy Iowa" seminars.

## GOLDEN CIRCLE INCUBATOR

In 1985, the Golden Circle Incubator began operations in six buildings containing 66,000 square feet on DMACC's Ankeny campus. Ankeny, a city of 12,000, is located in rural-suburban Polk County just 15 minutes from Des Moines, Iowa's largest urban center. The incubator currently provides space and services to 17 business tenants. Although the Golden Circle Incubator is well represented by rural entrepreneurial tenants, its board of directors is primarily drawn from Des Moines' business and professional communities.

"Let's say you pick out the building you want and the fellow wants $1,000 a month for it, and we know darn well you're going to be able to afford $500 a month at best. Then we're going to play the role of negotiator and try to find the people who can make the difference. Small towns often have a lot of power brokers--if it means 5 or 10 new jobs, some arm twisting can be done. I don't want to be the arm twister, but I want to find the people who are and get them working on it."

## CIRCLE WEST INCUBATOR

In the fall of 1987, significant rural economic development needs still were apparent. A rural incubator was researched, and Circle West Incubator opened in March 1988 in Audubon, a community of about 2,500 people in west central Iowa. The area of coverage for Circle West is about a 50-mile radius around Audubon, which takes in parts of seven counties.

"Let's say the fellow wants to start the manufacturing firm of 25 employees. We may be able to put a computer in his shop that he can lease and use for bookkeeping and that we can use to communicate directly with him. For example, we could send correspondence or get his financial statement on a regular basis."

The incubator's 22-member board of directors represents prominent bankers, attorneys, and economic development specialists from the communities in the seven-county area.

The Circle West Incubator is an administrative center which includes a large meeting room, a small meeting room, a reception/work area, and the director's office. The space was provided by United Telephone Company at virtually no cost. The center is used for meetings and seminars and to enable visitors to the area to have office space.

To provide space for new or expanding businesses, Circle West has developed a data base that locates all available buildings in the seven-county area. A total of 18 communities participated in locating vacant buildings available for use by homegrown industries. The executive

"We have a sort of mentor program too. The SBDC keeps a file of all Iowa businesses. They allow me access, and what I've primarily used that for is to call other people in similar businesses. If you come in and want to start a craft shop, then I'll find someone from that list and see if they can have a cup of coffee with you and talk about that business."

director works closely with those needing space to start a new business, to help them get the best deal they can.

The Circle West Incubator is primarily a technical assistance center and uses a service contract to provide 25 to 30 different services to new or existing businesses. The range of services varies from simple copying to keeping a firm's set of accounting records. The executive director also puts emphasis on staying up to date, having current forms, and helping people apply for the many types of assistance that are available.

"We are currently working with a CPA firm in Des Moines to try a 'coupon' arrangement whereby I have five coupons worth one free hour each of consultation with the CPA. In exchange, I prepare the client for a fruitful meeting. After the five hours are used up, the CPA has a chance to obtain the business of the client."

Outreach, Delivery, and Staffing

The executive director generated an initial set of leads through extensive presentations around the region to civic and development groups. In the first eight months, approximately 64 leads were generated, resulting in 30 applications for assistance.

"I've realized I can't do it for anyone. Not only can't I do it, but I don't want to, because if you can't do it yourself, I'm not so sure you can run a company. For example, when it comes to getting a loan from the bank, I'm glad to have you come out here the day before and I'll sit across the table and pretend I'm the banker. But the next day when we're on stage, you're the one who has to do the talking."

An incubator specialty firm out of Pennsylvania was also hired to run a marketing program. Media announcements encouraged people who wanted to start their own business or who were having problems with an existing business to attend a free presentation. About 70 people attended and were urged to sign up for further free one-on-one consultations. As of November 1988, the center had assisted about 15 individuals and was continuing to work with 20 others.

As a third effort, the Center has invited staff from Kirkwood Community College to deliver part of their agricultural diversification program at the center.

Future plans include developing a system to increase the number of technical assistance providers in the region. Some type of follow-up procedure is also planned to ensure each person really gets the assistance he/she needs. Also, Iowa State University has established an "uplink" program to send educational programs by satellite to any of 40 sites around Iowa. Circle West has receiver systems in two meeting rooms. As SBDC programs from the university become available, they will be taped and made available to anyone.

"The first thing you've got to do is to get people together to talk about leadership."

The incubator is staffed by a full-time executive director, a full-time secretary, and an EDG training consultant/business instructor from the DMACC's Carroll campus.

"Communities really didn't even know whom to call if they did have a bite from the state's Department of Economic Development--and there was little agreement. To keep the small communities talking with their large county seats was one of the goals of the program too."

"Be sure the chairperson of the Steering Committee is the strongest person available, or the support groups will fold. You may also want to designate a term of office for the chair position."

"The college had a faculty person in each small group session to lead the discussion. Someone else was asked to take minutes. At first, people brainstormed ideas on what they needed to make their community more viable. Then the leader had them rank each idea on a scale of 1-10, depending on where they were on achieving it. Then they identified the barriers preventing them from being higher. Each small group reported back to the general group."

"We also had a youth panel consisting of two to three high school and two to three college students from the communities. This was a highlight of the conference--if anyone else does it, be sure to have a youth panel and give them enough time."

## Funding

The U.S. Department of Health and Human Services, the Office of Community Services, and the Family Support Administration provided the nonprofit corporation with a $75,000 grant in FY'88 to start the program. A grant application for about $250,000 will be submitted to the same department as Phase II of the program to assist with operational expenses.

Through DMACC, the state's "Jobs Now" equipment fund provides access to equipment and other hard assets such as computers that could assist small businesses of the area.

## COMMUNITY LEADERSHIP CENTER

The community leadership program at DMACC was also an outgrowth of the farm crisis. With farm failures were coming closings in all related businesses, from fertilizer dealers to veterinarian clinics. An initial concern was simply that communities were not organized enough to pull together when a business prospect did come to town. And there was concern that competition among communities would prevent one helping another, even though benefits from any new employer would ripple out and help outlying towns too.

The idea of community leadership programs was circulating because two towns in other regions of the state had tried them and had found them very effective. When community leadership grants became available from the Iowa Department of Economic Development, DMACC applied for and received grants in 1987 and 1988 to deliver community leadership programs.

## Outreach, Delivery, and Staffing

As of fall 1988, DMACC had provided community leadership programs in two counties, Carroll and Boone. The college used a consulting firm to help them develop a workable approach the first year.

Each program uses a steering committee composed of a representative from each town in the county. This committee selects 50 to 60 people who agree to participate in a two-day intensive workshop on community leadership and carry the ideas they gain back to their towns.

Staff have found the best format for the two-day program has been to run the workshop from 4 p.m. on Friday to 4:30 p.m. on Saturday. Following registration, reception, and dinner, a panel of local people talks about the changes they have been seeing in their communities, what they want for the future, and what would be necessary to get everyone to work together to improve the

"One obstacle to the program is how to keep the effort going without a lot of additional expense. In Iowa some people feel the Extension Service needs to assist in developing rural leadership."

"No formal new association has resulted from the conference, but each community is working on some event or activity that was identified in the conference. Some new leadership has emerged. And a school bond issue that had not been passed for years in Carroll County finally got passed."

"In Iowa we're going to have to start consolidating our K-12 schools in some of the rural counties. These countywide conferences can assist in gearing up for that transition."

future. State and county data on demographic trends are presented, and a motivational speaker from the area also talks about the future. The second day, small group, one-hour sessions are held dealing with specific issue areas (which attendees select when they register). Examples of issue areas are tourism, government, community pride, agriculture, marketing, environment, and health.

A highlight of each conference is a presentation by a youth panel in the afternoon. These panels consist of two to three high school and two to three college youths from different communities. They discuss their school systems, the quality of education they received, and what it would take to bring them back to live in their counties.

All presentations are summarized by local people. In each conference, guests from outside the area also attend the conference and give a neutral perspective on what they have heard and observed.

Staff for the DMACC program have included two persons from the college: a training consultant and a teaching faculty member. To put on one conference a year requires 80 hours of each of these specialists' time. Other staffing requirements include 12 DMACC staff to serve as small group facilitators during the conference (10 hours).

Funding

The two leadership conferences in 1987 and 1988 were funded by Iowa Department of Economic Development grants of $5,000 and $2,000, respectively. There were no grants of this type available for 1989, so DMACC plans to pursue foundation sources in order to deliver the community leadership conference in a third county in 1989.

The conferences have been free to attendees. In addition, the college has paid for food and accommodations for out-of-town speakers.

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Descriptive brochures are available on the Golden Circle Satellite Center and business incubators. Materials available on the leadership conference include newspaper articles, past agendas, and a summary report.

## THE RURAL DIVERSIFIED ENTERPRISE CENTER KIRKWOOD COMMUNITY COLLEGE, IOWA

Located in east central Iowa near the geographic center of the seven counties it serves is Kirkwood Community College. In September 1984, Kirkwood trustees became alarmed at the seriousness of the farm problem in Iowa when university researchers found that 11 percent of Iowa farmers had debt-to-asset ratios of over 70 percent (a ratio of 30 percent is considered threatening to a farming operation). Trustees directed the staff to design programs to assist farmers in this time of crisis.

"Within 24 hours of the trustees' meeting, the president of the college convened a task force on campus."

The president formed a task force that in turn formed an advisory council to help focus the program. The council included farmers, bankers, rural clergymen, and university extension specialists. Within 90 days, by early January 1985, the college began running a series of 28 workshops and seminars. More than 150 persons enrolled. An in-depth evaluation was conducted, and based on the results of the first set of workshops, the program for the Kirkwood Rural Diversified Enterprise Center (RDEC) was developed and the RDEC opened in August 1985.

"I would caution another college that there needs to be a total commitment from the top of the institution down. Things aren't always going to work out the way they should. And I believe strongly that any program needs to be directed at education, or changing the behavior of the client. Just giving them ideas isn't enough--the training needs to be provided."

The RDEC introduced alternative enterprise training courses, workshops, seminars, travel courses, and business management assistance to farmers and rural and small businesses that employ five people or less. As of mid-1988, 35 new enterprises involving an estimated 130 individuals, all local farm families, had been started through the RDEC. The average enterprise was planned to add $5,000 to $8,000 to a family income. The RDEC had worked with about 1,500 individuals, farms, and small rural businesses. Of these, approximately 200 had become "Friends of the RDEC" who help in referrals and outreach for the center.

"We've had hundreds of success stories. For example, one row crop and swine production family that had received notice of intent to foreclose from the lender took 15 to 18 months of instruction and refocused the swine operation. They restructured their debt and added several new crops. And now the wife is a community leader with the Farmer's Market and is helping other people get started. We can't take all the credit, but we helped them hang on and gave them new faith and new hope."

The center now has about 25 technical training areas. The focus has also begun to shift from information only to helping participants move an idea into a profit center or a new business.

### Outreach, Delivery, and Staffing

When the program began, recruitment was accomplished in two ways. A high priority was placed on networking with existing rural organizations to hold workshops in rural communities. Most valuable have been the social service agencies, JTPA, other community colleges, and the job service agencies. Community health organizations also often helped in the early phases.

"Originally we used bankers to get referrals. We did not have success with that. It wasn't the bankers' fault, but there was a mistrust factor. And almost everybody was a little crosswise with their banker anyway. Our better referrals by far have come from groups already working with the farmers."

"We hold workshops in cafes, churches, community centers, town halls--we go to them, listen, and try to figure out where they are. We have outreach workers behind the scenes. We'd much rather attend a meeting where someone else has put together the audience."

"The TV, in this instance, has not been very effective. It works better to use instructors from the community and build upon the personal bond that takes place between the practitioner and the client."

"We like to have 8 to 10 people for a course, and we like to enroll all the principal players in a given family. But we just finished a series that probably averaged 5 at a class."

"They won't come to generic meetings, but they'll go to specific informational meetings. For instance, for our fur farming we started out as an open house at an area fox fur farm. At that meeting we announced we were holding an informational meeting, and we had a pretty good turnout."

"We've chosen to keep them together because it's good marketing for us and they've built a bond among themselves. If we want to do an update--like on rabbit production--we can go right to one of the area rabbit producers groups. But we've advised them not to get too big too fast--they need to stay small while they work out their market niches. It's very much a bottoms-up approach."

The second, more direct method of recruiting is used more now. The center holds informational meetings on new subject areas and uses these meetings to expand the program's contact list.

About two-thirds of the training is delivered at the college. Training institute programs held at the campus generally begin at 6 p.m. on a Monday and conclude on Thursday afternoon. Thirty hours of classroom and laboratory instruction is included. Other forms of instruction include demonstrations, field days, on-the-job practicums with practitioners, workshops, seminars, and travel courses.

Some sessions are also delivered at learning centers operated by the college, generally in the county seat towns of the seven counties in the service area. The learning center programs tend to be more common and more generalized, while the highly specialized courses are usually taught at the college. There is a satellite TV system to transmit programs from the campus to the centers; however, most of the time local instructors are used.

Participants are encouraged to begin their program with a workshop entitled "Inventorying Your Farm's Options." Concepts introduced include profit center diversification, sweat equity, value-added, and cost containment. In some cases, staff work with farmers to find other sources of work through inventorying their assets for a job change.

If farm diversification is indicated, the technical training is offered on a wide array of areas. Included are herbs and everlasting flower production, greenhouse crops, pick-your-own small fruit enterprises, commercial farm ponds, rabbit production, fur farming, on-farm processing of food products, sheep production, dairy goat production, game bird enterprises, fish-farming, a farm host program, and several others. Altogether, about 25 different training programs are offered.

The final phase of the program is seen as the formation of "rural enterprise clientele companies"--groups of program graduates who share a common interest. A number of cooperative relationships have formed, though none have formally registered as cooperatives. These clientele groups may be one way the very small enterprises can begin to take advantage of the State of Iowa's training programs.

In addition to the technical training institutes for rural entrepreneurs, RDEC offers two courses in rural enterprise education. One is expressly for community and technical college employees considering development of rural enterprise instruction in their own areas.

"There is some difference there--the education people think we should work with everybody while the resource developers may say that if they don't have a chance of making it, let's not train them."

"We probably should get into providing education directly to bankers because they're just unfamiliar with our language."

"Over and over again, schools say they can't find someone in a rural community to teach such and such a course. I always say, 'Maybe you're right, but why don't you try?' They call me back three months later and say, 'Well, you know what? There was a so-and-so right here!' If they really go about it as a community program, there are a lot more resources than they think."

"These people almost always love to teach other people how to do it. That's the nice thing about rural people. And generally, they will be greatly complimented if you ask them to help you."

"For example, the instructor for our recent rabbit update course made close to $250 that morning. He was able to teach three of the areas himself. I would have had to pay three other people to have done that. So it worked out well for him and for the college. Some schools have some hang-ups about that. But to get the practitioner out there doing it, you're going to have to deal with them on their terms. They are important people in your program."

The other course is for community, state, or federal rural development practitioners. The latter program instructs on profitable rural enterprises, how to determine key players, how to find community leaks, and how to assist the new entrepreneur in financing, among other things. As of fall 1988, three courses had been delivered to 30 attendees from about 15 states and 3 more were scheduled for 1989.

As of fall 1988, the RDEC had served well over 1,800 rural-based clients within eastern Iowa. In the future, the center hopes to do more education of bankers and others as part of a process of helping develop rural resource teams. In addition, college administrators feel there is a need to shift effort away from getting people started with production and "backyard marketing." In the future there will be more effort on market research and development, building larger financial structures, and finding a way to get Iowa's training program benefits to work for very small enterprises such as farms.

The program staff includes a director, an outreach worker, and a program developer position (all full-time professionals), 1 full-time and 2 part-time secretaries, and 35 part-time instructors, almost all of whom are entrepreneurs and practitioners themselves. The program assists the adjunct people in the community with their lesson planning, media development, etc. Some are paid using the college schedule ($12 to $25 per contact hour), and others are paid on a percentage of the receipts.

## Participants

The program has three types of clients. About one-third of the clients represent the successful, somewhat traditional farm family. Another one-third are from a "stressed" farm family. And roughly one-third are rural residents, entrepreneurs, investors, and others who own land or are interested in owning land and want to learn new ideas.

## Funding

The RDEC was started and continues to operate primarily through college funds. The annual budget has been $200,000 to $250,000. Costs are partially reimbursed through the funding formula of the State Department of Education, which is applied to the center's courses the same way it is applied to other credit or noncredit programs. Some local support has been contributed through the Kirkwood Foundation, but this is generally less than $10,000 per year and is used as a scholarship account.

The Center endeavors to recover 30 to 40 percent of program costs through tuition and fees. Each 30-hour class has a tuition cost of $250. In addition, a 10-hour take-home individual study package on completing a business plan is normally prepared by each participant. The cost for the individual study program is an additional $100, for a total tuition of $350. An optional three-day bed and breakfast package is $100.

"We're looking harder at state and federal grant and private foundation dollars because it makes such a difference to some of our clients. We still feel that costs--their money and their time--are keeping 60 to 70 percent of our potential clients away from our program."

By always operating on a tuition income basis, college administrators feel they have kept their focus on instruction and have continued to do what the college does best--training. It has been a businesslike model.

Clients who cannot pay tuition and fees themselves can apply for scholarships from the Kirkwood Foundation. In some instances, clients are eligible for up to 100 percent financial assistance through JTPA. Other college aid sources include Pell Grants, student loans, and special community grants, among others.

## Linkages

"I sense that almost every rural community and technical college is realizing they've got to do something because their traditional rural programs are failing. We believe very strongly that without the growth of the individual, there isn't going to be any economic development. That can only come through education and their setting new goals and wanting to change. It takes an energetic group to make it work, though, because it's very difficult and very labor-intensive."

The RDEC has worked directly or indirectly with nearly every town in the seven-county service area. The center also makes referrals to other community agencies where appropriate. The college is one of the regional satellite centers for the Iowa Department of Economic Development, and on campus there are also a Small Business Development Center and the college's own economic development office. The RDEC links clients with these other agencies as the need develops.

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Materials available include one-page summaries of each of the training courses, a schedule of the 1988-1989 diversification program offerings, descriptions of the educational institutes, and a summary of the RDEC approach.

IOWA

## FINDING NEW MARKETS FOR AGRICULTURAL PRODUCTS SOUTHWESTERN COMMUNITY COLLEGE, IOWA

"We had the concept that we needed to do positive things to turn the ag economy around just as our economic development groups in many of our communities have taken a more positive approach to attracting and expanding industry. We wanted to be involved in activities that would ultimately create a better economic climate for production agriculture."

"We looked at our main resource--our land. We asked ourselves how we could market or use our land."

"When we started, it was everything from radishes to rabbits; it was the universe of any type of ag venture that created a market opportunity. Gradually, we realized that you can't work with the universe."

While many rural areas are trying to find new industries to replace agriculture, Southwestern Community College is helping area farmers find new markets for agricultural production. Southwestern Community College serves eight counties in southwestern Iowa, an area of 3,804 square miles with a poverty rate 20 percent or higher in every county. The college has devoted many of its resources to rebuilding the rural economy including exploring the possibility of an Associate of Arts degree in rural economic development. In 1985, the college began aggressively to examine alternative ways to better serve the agricultural community.

When the community college asked what it could be doing to help, the farming community quickly responded. Interested local people joined with the college's Small Business Development Center (SBDC) to explore alternative strategies for the college to take. The participants included bankers, farm equipment and supply dealers, commodity organizations, and various agricultural groups. By 1987 they created an organization called Agriculture Groups for Economic Development (AGFED). AGFED is a not-for-profit regional development group designed to improve the rural farm economy by increasing the profit of area farms.

Initially AGFED explored a variety of ideas to rebuild the agriculture economy. However, when it came time to request funding from local and state sources, it was felt the focus should be narrowed to developing new markets either for existing production or alternative production. A key result of their efforts became the Agricultural Revitalization Program.

The Agricultural Revitalization Program is a four-step program for revitalizing the farm economy. The steps are (1) a survey of farmers to identify alternative production interests, (2) educational programs to broaden awareness and enable farmers to make business decisions, (3) creation of new marketing opportunities, and (4) monitoring production to ensure buyers are satisfied. The program is operated by the college's SBDC.

As a result of implementing the four-step program, AGFED has identified three market thrusts: livestock markets, crop markets, and alternative agriculture. For example, the program is trying to find new markets or improve markets for hay, forages, wood, hogs, and cattle. The alternative agriculture thrust targets selected nontraditional agricultural products for development.

"One thing unique to our program is our attitude about what we're doing--that this is one big business down here and we own it."

In each thrust the emphasis is on developing dependable markets where farmers can sell their products easily.

The Agricultural Revitalization Program has had some successes that have begun contributing to the long-term vitality of the local farm economy. One of the successes has been bolstering the livestock market by securing contracts for feeder pig production and 30 new broiler chicken houses. The new feeder pig production will utilize feed grain already produced in the region. The broiler houses will each provide one job and will also utilize locally grown feed grain. Markets are being expanded for alfalfa hay including contract production for the Altoona horse racing track. This contract led the director of the Revitalization Program to form a hay cooperative, providing a new agricultural market for the area. Efforts are now under way to attract a hay processing plant to the area. New markets are also being explored for high-quality firewood and Christmas tree production.

"We're serving a general blend of all farmer-producers in the area. The key to our program is helping individual producers... By creating opportunities for them to improve income, what we're really doing is strengthening the economy for the general area."

Outreach, Delivery, and Staffing

The educational programs initiated through the project have been important in getting farmer participation and informing farmers about alternate production opportunities. These programs include one-on-one visits, group research and training seminars, semester course offerings, and distribution of educational materials. The programs encourage farmers to participate in the new market opportunities. However, early success in creating markets for local farmers has been the single most important factor in encouraging participation in the Agricultural Revitalization Program.

"We did work for a while with farmers' markets and some fish raising. Anyway, it all washed out when we started to prepare our grant proposal to the state. That's when we started to evaluate what we had been talking about doing for over two years."

Initially the program was operated by SBDC staff at the college. The SBDC has now hired a full-time director to operate the program. SBDC staff will continue to give assistance as needed.

The organization is governed by a nine-member board representing private industry, government, and farmers. The board meets monthly, and AGFED members donate extensive amounts of volunteer time.

Funding

"The most important key to success has been the AG FED group who has provided invaluable expertise and support. They have been the driving force behind the Agricultural Revitalization Program. Their diversity has been particularly valuable in expanding the understanding of the agricultural economy."

Initial funding for the Agricultural Revitalization Program came from a $10,000 grant from the Private Industry Council. The college was awarded a $120,000 grant from the Iowa Department of Agriculture for the Agricultural Revitalization Program in July 1988. The grant will provide funding for two years. In addition,

AGFED is contributing $12,000 through a USDA Resource Conservation and Development grant, and Southwestern Community College is providing $22,500 in matching dollars.

One goal of the program director is to secure increased financial support from the banking and business community. The hope is to create a fund large enough to finance new venture opportunities.

"It is important when working with businesses to create new markets that you are able to immediately respond to requests. You have to have someone whose job it is every day they wake up to concentrate on this task."

## Linkages

One factor of success for the program has been the excellent ties the AGFED organization has had with the various communities and organizations throughout the eight-county region. These ties are easy to maintain because Southwest Community College is a key leader in the region's economic development efforts. The college operates the Iowa Department of Economic Development's Regional Satellite Center along with the SBDC and various industry training programs.

Another key to success is the full-time attention that Southwestern Community College has been able to devote to the program. It provides the ongoing focus that makes the program successful.

## Contact

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A brochure on ag development projects will be available from Southwestern Community College in January 1989.

KANSAS

## LIGHT MANUFACTURING INCUBATOR
## LABETTE COMMUNITY COLLEGE, KANSAS

Labette Community College is located in the southeast corner of Kansas and serves a population of 48,000 people in Cherokee and Labette Counties. Agriculture and light manufacturing account for most of the economic activity in the area. The largest city and home of Labette Community College is Parsons with a population of 13,000 people.

"The president of our community college called a group together that was representative of every sector of the community and county. Anyone that was interested in developing a plan of action that would start to defray the railroad loss for the community was invited."

In 1986, the area's unemployment rate was around 7 to 8 percent, and the MKT Railroad (commonly called the KATY railroad) was going to merge with Union Pacific Railroad. The merger would greatly reduce rail operations in Parsons and result in a loss of 400 jobs. The railroad jobs had an average salary range of $35,000 to $40,000. A study conducted for Labette Community College indicated the total loss of income from the railroad merger would be $10 million to $12 million. The economic impact on Parsons and the area's economy would be large.

"The board of trustees has been so supportive it's unbelievable."

Labette Community College decided to respond to the economic decline in a proactive manner. The college had a track record of providing customized industrial training to the area's manufacturing firms and assisting with other economic development activities. In January of 1987, the president of the college called together a core group of area representatives to put together a plan of action to stem the loss of the MKT merger. The response of the group was tremendous. They quickly focused on the recommendations of the impact study, which suggested the creation of a business incubator to encourage business development. The group was also encouraged by the findings of the Joint Legislative Commission on Economic Development at Community Colleges, which suggested community colleges explore incubator development. As a result, they decided to build on the strength of the area and create a light manufacturing incubator.

"As part of the KATY task force, the college prepared and implemented a survey of all manufacturing companies in the area. That survey was used as preparation for the economic development activities of the core group."

The college was selected as the organization to start and operate the incubator because of its leadership and because it represented a larger area than just one community or county. The college approached the U.S. Economic Development Administration (EDA) Denver regional office about the possibility of a grant to help fund the incubator. The EDA granted the college $300,000, which had to be matched with $200,000 of local funds. With funding to begin the incubator, the group began to seek a facility to house the incubator and secure additional operational funds. One of the group members, the

"The reason the college started the incubator was we were the only multijurisdictional unit available to do so. We wanted to provide an atmosphere of cooperation for the future. It hasn't been all roses, but it's been pretty good so far."

president of Commercial Bank in Parsons, knew of a manufacturing facility located in Parsons Industrial Park No. 1 that was abandoned and in loan default. Although in need of renovation, the 60,000-square-foot facility was ideal for an incubator. When approached by the college, Merchants Bank of Kansas City, the holder of the bad loan, agreed to donate the facility for use as an incubator.

"Our people at the college contacted the people at Kansas City's Merchant Bank, and they donated a 60,000-square-foot facility. So we then had $300,000 from EDA and a $200,000 community match for renovation of a debt-free facility."

With funding and a facility, the college renovated the facility and began operation of the incubator, named the Business Industrial Center (BIC), in August 1988. It is designed to help new businesses survive the critical first years by offering low-cost space, business services, and business and marketing consulting. The BIC is also a place for existing businesses to develop new products and markets without interfering with their current operations at their own facilities. The incubator offers six manufacturing suites ranging in size from 3,000 square feet to 16,000 square feet. The remodeled facility features landscaping and spacious employee/visitor parking for each suite. The college's board of trustees, with the advice of an advisory committee of local business and college members, approves of all BIC tenants.

"We have developed through this process a management team of people on campus. The president provides counseling and consulting on management, the dean of administrative services provides financial reviews, and several other faculty and staff assist the new businesses. We supplement the team with an advisory board that is representative of personnel in manufacturing, accounting, law, and other disciplines. They volunteer time to assist in recruiting and analyzing businesses."

Outreach, Delivery, and Staffing

The BIC actively markets the incubator facility to potential tenants. They look for new firms/entrepreneurs and existing firms wanting to diversify that have the potential for high-growth, large job creation, and high probability of success. The BIC also looks for businesses that will have diversification possibilities within the local economy and will make capital investments within the area. The BIC markets directly to local firms and entrepreneurs and relies on Mid-America Inc. and the Kansas Department of Commerce to identify nonlocal firms that may be interested in the incubator.

"We can meet the need for anything that a business would require by matching up two or three people from the college or from a local business."

When a new firm seeks to become a BIC tenant, the advisory board reviews the application. They carefully review the prospective firm's business plan and evaluate its long-term prospects for success. The goal is to select firms that will have a large impact on area income and employment.

Services available to the tenants of the BIC include reception and light clerical, employee recruitment, purchasing, payroll, personnel management, and general accounting. Production assistance includes production planning, inventory control, and quality control. Also, the BIC assists its tenants with financial planning, business planning, and marketing.

"The fund-raising effort was a total community effort of people giving what they could at a time that was pretty hard. The community was looking at a loss of income of $10 million to $12 million. The success of the fund raising surprised the people who were raising the funds."

The BIC has two staff members and is assisted by an advisory committee and other college staff and community leaders. The two staff members are the director and a secretary. The BIC advisory committee is made up of community and industrial leaders who review all potential tenants for approval. The college administration and faculty provide technical and business consulting to the tenants.

Participants

As of December 1988, the BIC had gained two tenants. One firm, a medical plastics company, expects to employ 60 people within two years. The other firm is Mid-America Inc., which actively markets southeast Kansas to prospective new industry. Mid-America's presence by focusing attention on the incubator is a positive force in marketing the BIC.

"We approached the Kansas Department of Education for funds under the Carl Perkins Act and received a three-year commitment of $50,000 per year. That is matched with $50,000 from the college. These funds provide our basic operation funds."

Funding

Initial funding for the BIC came from an EDA grant of $300,000, which was matched by $200,000 of local funds. The Labette County Economic Development Commission provided $100,000 from its budget for the match. Various area cities also contributed funds for the match including $50,000 from Parsons, $15,000 from Oswego, and $8,000 from Altamont. Private contributions from individuals and utilities provided the rest of the $200,000 match. Finally, the donation of the facility by Merchants Bank provided the BIC with a good debt-free incubator facility.

"Four businessmen from downtown decided they were going to try to raise some money for venture capital. They raised nearly $600,000, which created a venture capital pool. It provides the loan guarantees needed for start-up companies. That really worked out very well."

Operating funds for the BIC include a $50,000 annual contribution from the college. These funds will be matched for three years by a $150,000 grant from the Kansas Department of Education. The Wal-Mart Foundation and the Sears Foundation provided additional funds for renovation of the facility. Further funding for operations is raised through tenant rent and charges for business services.

"It hasn't been without a little bit of heartache because we have the normal competition among cities. The incubator was probably the first project where the cities worked together toward a common end."

Not only did the area raise the necessary funds for the EDA match, but they raised approximately $700,000 to provide venture capital for new firms. A group of area businessmen set out to raise money to help finance potential new incubator tenants. They created a JOBS Inc. to solicit funds from area residents for the purpose of creating jobs. The response was tremendous, and now the BIC is able to meet the financing needs of many new firms. With additional funds allocated to the Labette County Economic Development Commission, a total of over $2.3 million was raised for economic development from the time the core group was organized by the college president to August 1988.

"We have a long way to go. There's been a lot of years of competition and mistrust among cities. But the college has pulled them together, and some of the projects would not have been accomplished without the college. The college has begun to pull the communities together."

## Linkages

The college played a major role in building bridges among the area communities. Although it was not easy, the college's example of what could be done by working together is setting an example of cooperation that the communities are beginning to appreciate. The college considers it important to have broad representation in implementing an effort such as the incubator project. Especially important is to have a blend of both county and city government participation. The college credits the people and their care for the community as the ultimate key to their success.

## Contact

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Marketing and organizational materials are available upon request.

## SERVING RURAL WOMEN AND DISPLACED COAL WORKERS
## HAZARD COMMUNITY COLLEGE, KENTUCKY

"Our president is also president of the local Chamber of Commerce and serves on the Industrial Development Board."

Hazard Community College is located in southeast Kentucky, about 110 miles southeast of Lexington. The college serves a five-county area which includes about 115,000 people within a 1,929-square-mile region. It is a region that historically has depended on the mining industry, but mining employment has declined significantly as new technologies have replaced human labor with automation. When unemployment in the area reached 14 to 16 percent, Hazard Community College responded by looking for innovative ways to help diversify the area's economy. With leadership from the president of the college and from a business faculty member, the college started a Business and Industry Technical Assistance Center (BITAC) in 1986. Originally, BITAC was to fill the void that existed for area small businesses seeking technical assistance and information. More recently, BITAC has become the delivery vehicle for two new rural development programs, a Rural Women's Proprietorship Project and an Entrepreneurial Program for Dislocated Coal Workers.

### RURAL WOMEN'S PROPRIETORSHIP PROGRAM

"The college had seen a lot of women coming back to school as nontraditional students. They were in their late 20s and early 30s. Many had children and were trying to support a household and wanted to do things in business. This was seen as a way to train them and assist them in starting their own businesses. It was an alternative to a fast-food restaurant job."

In 1986, BITAC received a sex-equity grant from the Kentucky Department of Vocational Education to initiate the Rural Women's Proprietorship Project (RWPP). The RWPP was designed to assist women from rural communities who were either in their own businesses or desiring to start their own businesses. The RWPP has two components. Through the "revolving" program, a series of seminars are delivered throughout the five-county area. Topics have included how to "really" start a business, cash flow analysis, time management, how to advertise, how to deal with sex-biased attitudes, hiring and training employees, locating suitable suppliers, and targeting specific consumer groups.

The second component is one-on-one consultation with the RWPP coordinator. The coordinator meets with each woman in her office or wherever the client specifies. Each client receives assistance tailored to her individual need. The coordinator also helps each woman prepare a business plan, which includes a financial analysis to help them get financing. The program has been fairly successful in helping clients get financing, due largely to the emphasis placed on preparing these detailed plans.

## Outreach, Delivery, and Staffing

The RWPP program is free to all women in the five-county area. Announcements about the program are carried in local papers as well as through college fliers, which are sent to a mailing list developed for the program. Five workshops are presented in each of the five counties, and each series is presented over a one-month period. The workshops last 2 1/2 hours and are delivered in the evenings at various facilities (county courthouses, high schools).

The RWPP has a full-time coordinator and a half-time secretary. The coordinator utilizes specialists to teach the workshops, but she does the bulk of the consulting work, with backup staff available from BITAC and from faculty of the college.

## Participants

"It has been quite successful. Some women are working out of their homes; others have their own stores, such as retail clothing. One even started a small record label company. It is a really diverse group."

The RWPP is serving 215 clients in the five-county area; 92 women are currently in business or have established an opening date for a business. There have been 24 business start-ups attributed to the program. Currently there is considerable interest in developing a crafts guild or cooperative, and the college is looking into this for the group.

## Funding

For the RWPP, the original grant in 1986 from the Kentucky Department of Vocational Education was for $35,000. The college picked up 50 percent of the cost the next year and is looking to state as well as foundation sources for funds in the future.

## ENTREPRENEURIAL PROGRAM FOR DISLOCATED COAL WORKERS

"Since we were getting a lot of people who had no business background at all, we did a lot of special things that they could relate to. For example, we did a home-based balance sheet and a home-based cash analysis as a lead-in to the business management section. This enabled them to apply what they'd learned to a business environment. We provided them with a desk and equipment to simulate a business environment. This enabled the participants to obtain the proper frame of mind for working in a business environment."

The Entrepreneurial Program was begun in 1987 to assist coal miners in starting their own business as an alternative to mining. The program has since been expanded to include any dislocated worker. Under the program, selected coal workers who have lost their jobs in the coal industry since 1980 can participate in an intensive six-month educational program at the college. The training focuses on helping the prospective new business owners assess their strengths and skills and develop new skills required to manage their own small businesses. Presentations include selecting the appropriate form of business organization, developing a business plan, understanding different sources of business capital, developing effective record-keeping systems, and others.

## Outreach, Delivery, and Staffing

"A good support network among participants is very important."

The service area for the Entrepreneurial Program is 15 counties. Fifteen miners were brought into the first program, after being selected from 37 referred by the state's Department of Employment Services. The orientation and screening process focused on the probability of success of participants, using such factors as past experiences, transferable skills, and family support system.

The classwork is divided into three modules: self-management, small business management, and marketing and implementation. Classes are held in the evenings, three hours per night twice a week. Each of the three modules requires five weeks of classroom training. Between modules there is a one-week break to give participants time for research, completion of forms, and consultation with the instructors. At the end of the last module, the group starts launching their businesses on their own time schedule.

"An instructor with a background in small business, good teaching skills, and an ability to work with people is required. With an MBA and no business experience, you'd be in trouble. Theory and textbooks aren't going to get you into business. We wrote the curriculum to make it nuts and bolts. The individual counseling is a very major focus--it's extremely important."

The self-management module has an idea generation phase wherein each participant generates ideas and the Center provides supportive research from the University of Kentucky (market surveys, etc.). BITAC also helps participants look at transferable skills and hobbies that might be opportunities for businesses. Participants always make the final decision, however.

The Entrepreneurial Program has 1 1/2 instructors, including the full-time director and one full-time secretary.

## Participants

In the first six-month program, 12 of the 15 participants graduated. Out of those 12, 11 started businesses, most in late 1987. A wide variety of businesses--a home-based catering service, a small engine repair shop, electrical contracting, a retail appliance rental store--were started. One graduate obtained an SBA loan, but most started on family loans or on a shoestring from personal resources, however small. Everyone is still in business; three additional dislocated worker/hires have been attributed to the program.

"We work with our local Area Development Districts, SBA, a private source of funding, and local banks to get funding for graduates. For example, the ADD districts have community loan funds available for different ventures through a consortium of local banks."

"One individual who had been chronically unemployed was able to get a $40,000 bank loan. We were quite proud of that; I think it was largely because of his hard work in the program and the business plan that we helped him put together."

"In this area, people seem very supportive of family members. They keep in close contact. And when they have the opportunity, they hire other dislocated workers."

## Funding

For the Entrepreneurial Program, the college received a Job Training Partnership Act (JTPA) grant of $43,000 in 1987. The program is being funded in 1988-1989 through a second grant, $42,200, also from JTPA. The college hopes this will be a long-term program.

## Linkages

BITAC provides business and liaison assistance in coordinating with a host of area economic development organizations, including the City of Hazard, the county's tourism commission, county governments, the Appalachian Regional Commission, the city/county Chamber of Commerce, the Kentucky River Area Development District, and the State of Kentucky. BITAC also works with the Christian Appalachian Project (CAP), which is funded primarily by church and private donations and helps establish local development associations in the region.

The college has a mining technology program designed to keep smaller mining companies abreast of developing technologies. Key speakers are brought in as specialists in the field, and one-day courses are offered at modest fees. BITAC has a rapidly growing Economic Development and Resource Library. BITAC is assembling information to help local communities in their efforts to recruit or develop new or home-grown industries.

## Contact

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Descriptions of the RWPP workshop topics are currently available. Materials for replicating the Entrepreneurial Program are being developed and will be available in 1989.

## RECRUITING A MAJOR SERVICES INDUSTRY
## RAINY RIVER COMMUNITY COLLEGE, MINNESOTA

Rainy River Community College (RRCC), the smallest campus of the Minnesota Community College System, serves 16 small rural communities in a five-county area on the Canadian border in northeastern Minnesota. There are about 30,000 people in the service area, and about 20,000 of these live in or near the city of International Falls.

"The way I see it, our primary job is education, and well-educated people have a great deal to do with economic development. I'm certainly no expert--I'm just someone who cares about the community."

In the past, RRCC's principal involvement in economic development has been developing new curricula to meet the changing needs of industry. But in the mid-'80s, economic shock waves rippled through the region when Boise Cascade, the area's major employer, closed a portion of their plant. This cutback resulted in the loss of about 500 jobs in the wood products industry. The entire area was galvanized to look harder and closer at economic development opportunities.

"Anyone coming out of a secretarial training program is somewhat antiquated unless they know how to run software. We're trying to train people to step into the modern office. The more trained work force we have, the more chance we have of attracting an office business."

The role of RRCC took a major turn in early 1987, when the area's unemployment rate was still at about 10 percent. RRCC had been in contact with International Compu-Learn, looking into extending the college's clerical program to include more office automation software training. International Compu-Learn is a small company specializing in retail sales, consultation, and business computer training. The college was also aware of a consultant study of the region that had recommended that northeast Minnesota pursue office sector development that could be connected via phone lines to central offices. When a major foundation opened a program to fund rural development efforts in each region of Minnesota, RRCC and Compu-Learn requested funds from the Northeast Minnesota Initiative Fund (NEMIF) to explore educational training in office sector operations for the region. The goal was to create a training program to produce state-of-the-art office sector workers. The program would serve as a prototype for the region and as a vehicle to attract an office sector operation to the area.

"We had earlier approached an HMO in St. Paul about doing something in International Falls. Even though it fell through, the idea of an office sector branch just seemed like a good one. We felt it could work, it would be good for our area, and it would be good for the college."

The planning grant was received from NEMIF for $40,000. Compu-Learn conducted a feasibility study to discover what office sector skills were needed in the region and what types of computer software and hardware were being used. As a result of this study, RRCC initiated an Office Sector Program designed to make maximum use of telecommunications technologies to allow large corporations to locate their office operations in rural areas. A curriculum for a new associate level degree in office automation was developed as well.

An impressive success story has already been attributed to the Office Sector program. A major data entry/claims processing company--United HealthCare Corporation (UHC)--was attracted to the International Falls area.

UHC is a leading national developer and marketer of managed health care delivery systems. The dean of the college, who knew the vice president of UHC, became aware of this company's urgent need for more space and more office workers. He suggested to his friend that UHC open an office in International Falls and utilize the college to train the workers. In the meantime, the dean had also become aware of a separate but parallel effort to attract office-related industries to the region. Northspan, a regional development group out of Duluth, had received foundation and utility funds to establish a program called Arrowhead Business Connections (ABC). The ABC program included hiring a staff person to promote office sector development in northeastern Minnesota. When UHC agreed to come to International Falls to look the situation over, ABC, the employment office, the mayor, the economic development office, and the job training office all participated with the college in the presentation.

"We had unused space in the mall and under- and unemployed skilled people. My suggestion didn't go anywhere at first, but I called them again and this time they were desperate. So they sent someone up, and we made a presentation."

"They decided to do it mainly because the community convinced them there was a dedicated pool of human resources in International Falls, and they got a commitment for recruiting and training from the employment office and from Rainy River Community College."

"People here exceed the productivity of those in comparable jobs in the home office, and their quality is better."

"We all come in contact with people, especially in a resort area like ours, who are management people. We need to think about how we could perhaps help that company. It's not taking advantage of friends--for UHC, this was a godsend!"

"There were people who had worked in insurance offices, banks, and medical offices. Others were RRCC students. Some had been unemployed teachers, and some had been dislocated workers from Boise Cascade."

The decision was made in late 1987 to open the UHC office. The ability of RRCC to provide customized job training plus the locational advantages of the area were major factors in UHC's decision. The office opened in February 1988 with about 27 employees. By fall 1988 there were 70 employees, and UHC plans to increase to about 90. The college is continuing to provide customized job training for the corporation through a Minnesota Job Skills Partnership (MJS) grant.

Outreach, Delivery, and Staffing

The contact with UHC was based on personal friendship. Due in part to the successful outcome of this recruitment effort, Northspan is now running ads in local papers that say, "We want to know who you know."

RRCC hired a full-time office automation instructor funded by Minnesota Community College program development monies, NEMIF, and Minnesota Job Service. The teacher was trained along with the first group of employees by United HealthCare at International Falls. The college has since trained additional employees by developing and offering three courses as part of their regular curriculum: data entry, medical terminology, and medical claims coding. At present, 140 students have taken this course and are employed or are part of a growing pool of possible applicants for UHC to hire.

## Participants

Those who applied for positions with UHC were local people from a 30- to 40-mile radius. Over 200 persons applied for the original 25 positions.

"The NEMIF program had been funded by the McKnight Foundation. It was set up to encourage economic development using grants for public-private partnerships."

## Funding

Funding for the UHC project has been received from several sources. Northeastern Minnesota Rural Initiative Fund (NEMIF) was developed by the McKnight Foundation. The original $40,000 planning grant was for development and promotion of office sector business in International Falls. In a second round of funding, NEMIF contributed $32,000 for lab equipment for the development of a long-term capacity at RRCC. In a special initiative grant, the college received $20,000 from the Minnesota Community College System to initiate and respond to UHC's customized training needs. Finally, a $24,000 JTPA grant was received to enhance both the college's capability and the state's education and training flexibility to produce the skilled work force needed by growing businesses.

"You have to be somewhat creative if you're going to avoid getting tangled in red tape. It's a lot of work to look for private money too."

## Linkages

Coordination with area development organizations is informal and tends to be project-centered. Members of the college staff serve on three local economic development committees--Koocho, the Koochiching Economic Development Advisory Committee, and the Mayor's Economic Development Council. The provost is a member of the Northeastern Minnesota Private Industry Council. The college is currently working with the governor of Minnesota's Blue Ribbon Commission on cold weather testing to set up a "cold weather resource center" at the college for companies needing to field-test products designed for cold weather use.

"Rural America has a lot of opportunities for things like this. For example, telemarketing is one area that I think rural areas such as ours have an excellent chance of entering."

## Contact

"Corporations are very traditional. They don't want to try something that's going to fail, and they don't want to look bad. To open an office 300 miles away from the corporate office was a very bold move! And UHC's vice president was willing to make that move."

Allen Rasmussen, Provost
Rainy River Community College
Highways 11 and 71
International Falls, Minnesota 56649

218-285-7722

A summary paper is available on RRCC's initiative in bringing UHC to International Falls.

NEBRASKA

"The population in northeastern Nebraska has been declining in most of our counties--only two are larger now than they were in 1930, which was our peak population."

"Our recruiting program has been successful, and major manufacturers have located in the larger communities. But in doing this, we have been turning some of the surrounding communities into bedroom communities. If workers come in to Norfolk, for example, and spend a major share of their money there, it does nothing but bleed some of these small towns even more."

"Let's face it. There are thousands of 1,500 to 2,000 population-sized communities across the United States trying to recruit industries. The chance of one of these recruiting a major industry is pretty slim. Our philosophy is to develop and expand homegrown enterprises instead."

"It didn't seem like the other clubs were putting many deals together. Of course, that's typical of venture capital clubs: out of 100 proposals, you're lucky if 1 gets funded. But we thought we could increase those odds with a little matchmaking."

"Everybody knows everybody out here, so when you expose yourself as an investor, you expose yourself to all kinds of proposals you don't necessarily want to listen to."

## A VENTURE CAPITAL NETWORK IN A RURAL REGION NORTHEAST COMMUNITY COLLEGE, NEBRASKA

Northeast Community College is located in the middle of an agricultural region of northeastern Nebraska characterized by small towns of 500 to 2,500 population. It is a region that has been beset with economic problems since 1982, when the farm situation began to significantly worsen. While the region has pursued an industrial recruiting strategy since 1970 that has been relatively successful, it has been primarily the larger communities of the region such as Norfolk (population 23,000) that have grown. The little towns within the college's 20-county service area have been trying to recruit industries as well, but with relatively little success.

In 1985, a Business and Industry Assistance Center was opened at Northeast Community College. The Center's director felt a new thrust was needed. The Center chose to focus on expansion and development of homegrown enterprises.

In 1986, the director made a presentation to the Norfolk Chamber of Commerce emphasizing key concerns in the area, including the need for venture capital to stimulate local enterprises. An outgrowth of that presentation was the formation of a Committee for the Development of Home Grown Enterprises. Members represented the college, the local development group, the Chamber, local banks and small business owners, a large manufacturing firm, the Business Development Center at Wayne State College, and the state's Department of Economic Development. The committee began meeting monthly to explore different strategies.

The Center's director had been working for years to get a venture capital club started. The local economic development director had been looking into the idea too, so considerable background data already existed. As the committee got more active, visits were made to two Nebraska venture capital clubs. Bylaws, nondisclosure statements, and other materials from these groups were studied. The committee also investigated legalities of the network concept and the issue of liability insurance.

In contrast to other venture capital efforts, the committee made the decision to structure a venture capital organization that emphasized confidentiality. It was also decided that there would be no minimum level of investment or funding. Investors would pay their membership fee, and they would determine how much to invest.

"We would walk into a community 40 miles away, and they would figure our venture capital idea was going to steal businesses and move them to Norfolk. So some of them were a little close-mouthed in the beginning, until they really understood the program. And some of them probably still have some hesitation."

Informal presentations were then made to service clubs and chambers of commerce in almost every community to assess interest to the idea. Most of the presentations were made by the Center's director and Norfolk's economic development director. Some communities were suspicious of the idea, but the reactions were mostly positive. By early 1988, the Northeast Nebraska Venture Capital Network became a reality.

A five-member board of directors was formed with representation from the college, the Norfolk Area Chamber, the banking community, and local business interests. The committee is now organizing a complementary group, the Areawide Task Force, with a representative from each community of the region. The task force's president will also serve on the corporation's board of directors.

"When we make our presentations, we go through all the appropriate conditioning steps. We show them how the youth are leaving the area and population is declining, for example. Then we show them what could possibly happen if some local investors took charge and tried to help their local communities out."

In the first nine months of operation, the Network obtained 40 individual and 20 organizational investor memberships and processed about 15 business plans out of 80 or so inquiries. The Network expects to have two business investments put together by the end of 1988, a small manufacturer that could employ up to 25 people within three years and a small publishing company that could employ five individuals within three years.

"A youngster who graduates from high school and goes off to college, gets a business degree, and wants to start his or her own business or get involved in a family business needs funds. This gives us a channel to possibly provide some funds to keep those persons in our area rather than shipping them out of state."

Outreach, Delivery, and Staffing

The Center's director and Norfolk's economic development director have traveled throughout the 20-county region making slide presentations about the area's economic situation and the potential of the Network. The Center also publishes a flier and monthly newsletters. Many referrals of potential entrepreneurs come from area bankers and chambers of commerce.

"A lot of the proposals are for very small businesses. If a town doesn't have a plumber, for instance, it's pretty tough to function. But maybe a young entrepreneur just out of tech school comes to us with expertise and needs some start-up capital. One of the organizational investors might want to attract that individual to their community, help them get started, give them a break on rent, etc. That's what it's really all about."

Through the organization, investors sign a membership agreement and pay a $50 fee that entitles them to receive all project summaries prepared by entrepreneurs for the Network. Organizations, as well as individuals, can join as investors; thus a chamber of commerce can have a membership. Entrepreneurs prepare a request for financial assistance that includes a biographical information sheet, a release from liability, and a summary of the proposed venture. Summaries are sent to all investor members. After reviewing a summary, any investor who is interested can request a detailed business plan for $25. A business plan is prepared only for those investors requesting it after reading the summary.

The entrepreneur works with the Center to prepare the business plan, and with the plan the entrepreneur's name is given to the investor. The Network does not evaluate or make recommendations on individual projects. It is

"The typical venture group only looks at $250,000 ventures or larger. But that cuts out a lot of the kinds of things we're trying to create. We have companies that for the lack of $2,000 can't get started! A cafe in a small town or a mechanic shop may not need a lot of money, but they're not bankable. We're about the only avenue they have."

"We really feel this serves a need that is not being met, for the small entrepreneurs who need 'bridge' money to get to the point where they're bankable. Banks don't like to turn people down. But they're forced to when people come to them who are undercapitalized and ill-prepared to present a business plan. We can help fill those gaps so that they can go back to the bank with a product, a business plan, established markets, and customers. The support of the banks is critical, and so we involve banks early in the process."

"If someone comes to us and wants to start a dry cleaning service and they don't know how to even operate the equipment of a firm they've bought, we will hire a consultant who has been in the business to train the entrepreneur at no cost."

"The way most of these things happen is in matching up the right people. You have to have somebody who is totally involved in every aspect of economic development--from the state level to the areawide level to the community level--so that you have a finger on what's going on at all times."

up to the investor to contact the entrepreneur and negotiate terms of the investment directly.

The Center continues to assist entrepreneurs with evaluation, consultation, and training as needed. There is no minimum for either the investor or the entrepreneur. Entrepreneurs must agree to locate their enterprises in the 20-county area served by the Network if they receive financial assistance from a member.

Members recently also completed a questionnaire that addressed the categories of businesses in which they were interested, the amount they would consider investing, the localities of interest, their willingness to provide management assistance, and other considerations.

The Center helps applicants with their financial assistance requests and detailed business plans. This assistance is provided at no cost to the corporation. Approximately four to six hours of staff time per week are required by both the Center's director and by the Norfolk area economic development director in promoting, developing, and implementing the Network. Administrative services for the Network (mailings, phone calls, copying, etc.) are provided by the Norfolk Chamber of Commerce. The Chamber volunteers 5 to 10 hours per week of staff time, and the corporation pays the Chamber for direct expenses.

## Participants

Most of the entrepreneurs represent small start-up firms. The individuals often have little more than an idea or an unproven product. They vary in age and background. They come from rural communities and the larger cities alike. They have little, if any, start-up capital and, in many cases, very little management background. About 30 percent of the entrepreneurs are women.

## Linkages

The Center relies on the Nebraska Business Development Center and graduate students for market research associated with venture capital proposals. Independent consultants can also be hired as the need arises. Many other agencies are utilized as different ventures are proposed. For example, an entrepreneur who is trying to develop a new food product can get test marketing, packaging design, and even small quantities of the product produced and tested on the shelf at no cost through the food processing center at the University of Nebraska.

In addition to helping establish the Network, the Center assists local businesses obtain government contracts and investigate international trade opportunities. The

"The biggest problem has been getting serious investors. We think some people have paid the investor membership fee out of a sense of civic duty. In the future we may try to package some investors, although that would require changing the guidelines about confidentiality."

"It's supposed to happen on its own, but in some cases you have to intervene and give both parties a little push. But we have to be awful careful to protect confidentiality."

"My biggest caution to others is to have patience. It takes a while to get the parties together and to find the right match. If you've got one person interested in sewing and another who wants to get into the tent manufacturing business, then you might have something that trips the trigger. But since most people don't want to be involved in something they don't know anything about, you have to wait till the right project comes along."

Center has been instrumental in getting an annual Northeast Nebraska Inventors Fair started. In the three-day fair, one day is devoted to seminars and workshops, and there are two days of exhibits. Manufacturers and venture capital people are invited to view the exhibits.

The Center also participates in an entrepreneurship project to assist people become self-employed. This program is being implemented by the Nebraska Department of Economic Development at several locations throughout the state. The 10-week course includes self-assessment of interest, motivation, and ability plus training in management and business operation. Classes are taught by the Center director and a local attorney.

Funding

The Center operates on an annual budget of about $40,000, of which roughly half comes from a Carl Perkins grant and half comes from the college.

Contact

Joe C. Ferguson, Director
Business and Industry Assistance Center
Northeast Community College
801 East Benjamin Avenue, Box 469
Norfolk, Nebraska 68701

402-644-0587

Sample brochures, bylaws, membership agreements, financial assistance request forms, and a list of venture capital periodicals are available from the college.

## A RURAL INCUBATOR IN A HISTORIC HOTEL
## ROANOKE-CHOWAN COMMUNITY COLLEGE, NORTH CAROLINA

Roanoke-Chowan Community College (RCCC) is located in Ahoskie, a community of 5,000 persons in the northeast section of North Carolina. The service area of RCCC includes four rural counties--Bertie, Hertford, Gates, and Northampton--and about 85,000 persons. This four-county area is characterized by an agricultural tradition that has not seriously addressed the need for diversification. As a result the region has had more economic problems than any other part of the state.

"There was a general feeling that the attraction we had had for companies to relocate in North Carolina--'the buffalo hunt'--was pretty much over. We would have to look at what we could do for ourselves."

Over a three-year period in the early 1980s, the region lost an estimated 1,200 jobs because of company relocations, closures, and cutbacks in textiles, farm machinery, and other businesses. In an area that was not industrially strong anyway, this loss of jobs really depressed the economy of the area. Local leaders began discussing new ways to approach the problems of the area's economy, including ways to create indigenous companies and industries.

"The college seemed to become aware of the economic development needs of the area because of the president's involvement on the Industrial Development Commission with several recruitment efforts that failed."

At about the same time, grant monies from the State's Technological Development Authority (TDA) became available to support development of small business incubators. The idea of a rural small business incubator was brought to the attention of a committee within Northeastern North Carolina Tomorrow (NNCT), a regional development group located in nearby Elizabeth City. The chairperson of that committee was also editor of the Ahoskie local paper. When an initial proposal to TDA to fund an incubator project in nearby Elizabeth City was unsuccessful--due largely to insufficient local match--the editor began promoting the idea for Ahoskie. The President and the Dean of Continuing Education of the college, with the assistance of community leaders who were tired of losing jobs to other areas and tired of the lack of interest in economic development on the part of many farmers and large landowners, responded.

"There was some arm twisting to get money from the city, and to get a favorable appraisal on the building."

NNCT staff and staff at Roanoke-Chowan Community College submitted a proposal to TDA asking for a $200,000 matching grant to develop an incubator. A historic railroad hotel in Ahoskie that had been given to the town several years earlier was proposed as the site of the incubator. The appraised value of the hotel ($120,000) was combined with $80,000 in cash (raised from the Town of Ahoskie, Hertford County, the local Committee of 100, and the Industrial Development Commission) to equal a $200,000 match. The college agreed to staff the facility manager's part-time position during the start-up phase.

"The college being behind it proved to be the key element in the success of the proposal. There is a community college in Elizabeth City, but it hadn't been tied into the first proposal. The energy of the newspaper publisher also made a difference."

Another in-kind contribution came from NNCT, which agreed to manage the finances of the incubator operation.

The proposal was successful, and in spring 1985, Phase I renovation began. By March of 1986, the incubator was able to admit its first tenant. It became one of only two small business incubators in North Carolina.

"I do wish the funding hadn't been so piecemeal. It's better if you can see the end of the road before you start."

The building was found to be in much worse condition than first thought. The old hotel had to be nearly shelled. After the initial TDA grant, a number of further grants from private, federal, and state sources were required to complete second and third stages of redevelopment. A fourth and final stage is also being planned.

As of fall 1988 the incubator had leases with four businesses, and another was expected soon, which would put it at capacity (8,000 square feet of leased space). When the third phase of construction is finished in 1989, there will be seven or eight businesses. When the last phase is finished, there will be 12 to 15 businesses (22,000 square feet).

"It's the most unorthodox management structure you've ever seen in your life--talk about shared decision making! Sometimes you have to bite your tongue, but most of the time, even with all these groups and all these egos, I think we've been able to make wise decisions. That has been a little miracle in itself."

The public incubator project is overseen by a 40-member Regional Small Business Advisory Board. Representation includes the four counties of the region, NNCT, the college and other educational institutions of the area, the Towns of Ahoskie and Murfreesboro, local chambers of commerce, Ahoskie's Committee of 100, and the county's Industrial Development Commission, as well as existing businesses, industries, and utility companies. There are five subcommittees on the Board: an executive committee plus finance, management, construction, and admissions committees.

Outreach, Delivery, and Staffing

"We've had to do a lot of explaining just what incubators are. I even had one person bring in duck eggs! I was so embarrassed for him, I didn't know what to do. So finally I just told him there were a lot of people who had made that mistake and that I had a lot of duck eggs in here."

The Small Business Center at the college had already been in operation for several years prior to the opening of the incubator, so potential tenants were already known by the college. Early in the process, a tenant policy and an administrative policy were developed by the advisory board. These were based on extensive research on other incubators, including travel to several successful incubators in other states.

In selecting tenants, preferred businesses are light manufacturing, service, wholesale, and retail businesses, in that order. No business can directly compete with a similar business in the four-county area.

The Small Business Center works with prospective tenants to help them obtain financing. Once a business is in the incubator, the cost of doing business for incubator

"The facility manager is critical. It's a hand-holding position--you've got people who have never been in business before in there, and we promise them support from the Small Business Center at the college, the Small Business and Technology Development Center in Elizabeth City, and the state agencies in Raleigh--but really, the critical thing is that one person who is there every day. Even if they can't do everything that needs to be done, if they can listen, then go out and find what help is needed, and if they can encourage tenants to talk to each other--that makes the difference."

"We try not to be overbearing about it, but we strongly suggest the tenants get management assistance from the Small Business Center. We review their books with them quarterly and try to keep up with them. At the same time we're trying to make them as independent as possible."

"The management of the grant from the state was simple. And the local funds just required a letter or two once a year. But the federal grant required constant reporting--financial reporting, progress reporting, audits to be done, and even additional expenses that we had to take out of NNCT's budget! NNCT had to hire an appraiser and hire an auditor--there was a $10,000 contribution straight out of NNCT's discretionary funds to pay for expenses associated with the grant, plus paying for insurance on the building."

tenants is reduced through lower-than-market rental rates and less expensive photocopy, secretarial, and computer services. Managerial and technical assistance is also available from the college as well as from the Small Business and Technology Development Center at Elizabeth City State University. Classes are also held at the Center specifically for tenants. For example, incubator businesses are encouraged to learn how to utilize the Center's computer programs for such purposes as bookkeeping, payroll, etc. Special marketing seminars are also offered. Finally, assistance is available from experienced business owners. For example, 30 to 40 free seminars are offered each year by the community college's Small Business Center, and many instructors are businessmen and women.

Annual operation and management costs associated with the incubator are estimated at $30,000. Planning, funding, and managing the incubator project since its inception in 1984 have required significant time from community leaders. The Dean of Continuing Education, and the Director of the Small Business Center of the college have contributed between 5 and 10 percent of their time each year. The Executive Director of NNCT has contributed 3 to 10 percent of his time toward the project each year. Significant contributions from the local newspaper editor and others have occurred as well.

## Participants

Several incubator businesses have done well. One company that monograms jackets, shirts, and caps entered in August 1987. After one year, they had increased from one to five employees. Another company, an industrial cleaner, has increased from one to eight full-time employees while in the incubator. A worker-owned business that does contract sewing work, primarily children's clothing, started out with six people and after six months had 15 employees. Another business that repairs sewing machines is looking into franchise opportunities.

## Funding

Phase I funding consisted of $200,000 from TDA in the North Carolina Department of Commerce. Approximately $50,000 in cash was pledged from the Town of Ahoskie ($20,000), Hertford County ($20,000), and the Committee of 100 plus the Industrial Development Commission ($10,000). Small grants totaling about $35,000 were received from North Carolina foundations and private businesses to continue renovations. A second major grant of $150,000 was obtained from the Office of Community Service of the U.S. Department of Health and Human Services to fund Phase II. Phase III was funded through a $150,000 appropriation from the state's

"In our case, the project is helping revitalize a part of the downtown, and it utilized a historic building, so it became a symbol of what the town wanted to do. But someone else trying it should know that the important thing about an incubator is the concept, not the facility. Rather than invest a lot of money in a new facility, I'd like to see another college work up an education/business partnership using a vacant property. What attracts businesses to an incubator are the lower risks, lower operating costs, and having someone to lean on every day. You don't have to spend a lot of money on a facility to provide those things."

"By being active and successful in rural economic development, the college has begun to get the recognition it deserves. But it required financial and personal commitments to demonstrate that RCCC was serious about its role in economic development."

General Assembly with the assistance of area representatives and senators. Special legislation was passed allowing TDA to provide this second grant using program funds that were left over in the fiscal year. Phase IV is estimated to cost $225,000. Sources of funds for Phase IV have not yet been identified, but more private donations will probably be sought.

## Linkages

The Small Business Center is a cooperative effort among the College, the local Chambers of Commerce, and the U.S. Small Business Administration. A 14-member Small Business Advisory Committee assists the College to assess training and program development needs and helps to promote the Center and its programs. In addition to the regional small business incubator, the Center provides courses and workshops for area entrepreneurs, specialized training for small businesses, and a Small Business Resources Center.

## Contact

Dr. William Peele, Director
RCCC Small Business Center
Route 2, Box 46-A
Ahoskie, North Carolina 27910

919-332-5921

Materials available include the tenant manual, the administrative policy statement, and summary documents.

OHIO

## ECONOMIC DEVELOPMENT THROUGH A CLASSROOM APPROACH HOCKING TECHNICAL COLLEGE, OHIO

Hocking Technical College is located in the hills of rural southeastern Ohio, a depressed region referred to as Appalachian Ohio. Historically, the region was a mining area. Since the closing of the major mines and brick manufacturers in the late '30s, the region has been an economic backwater, with unemployment rates typically over 10 percent. Many individuals are self-employed or are employed by businesses with fewer than 15 employees. A large percentage of the population is on some form of an assistance program, and others are working in forestry-related businesses throughout the area. The largest single employers are health and education facilities, and many small towns characterize the three-county region that is the college's official service area (Athens, Hocking, and Perry counties). Much of the land is within a national forest and is therefore not taxable. Hocking Technical College, the local hospital, a shoe manufacturing company, and Ohio University in nearby Athens are the primary employers in the area.

"Our college president has always been a very forward looking person. He has been at the college for 20 years, since its inception. He kept waiting for someone to do something for economic development, but it didn't happen. So he decided to take the bull by the horns and led the effort himself."

Historically, the college has played a very unique role in local economic development. Hocking Tech, through its own initiative and through cooperative arrangements with other businesses, has (1) a full-service hotel which operates on campus in cooperation with Hospitality Management Services and Quality Inn; (2) a telemarketing reservation center for Quality International Inc. that employs approximately 100 people (a program unique in the world); (3) a travel and tourism program that operates a AAA Travel Agency; and (4) a forestry program that operates a timber business and a sawmill. Each business not only employs students but has direct connections with private businesses--and all employ individuals on a full-time basis.

In addition, programs have been initiated by the college that allow students to start up, own, and operate for-profit stock-issuing businesses. These include Beaver Industries (a forest products industry), a wildlife products industry, a petroleum distribution business, and a mail-sorting business.

Also, the college has used land acquired through a joint project with a coal company to open a 40-acre tract within the city limits that is being developed as an industrial/business park. Ground was broken in 1988 for a correctional facility that will serve a nine-county area and employ 40 persons.

"The people needed a leader. They needed to see someone doing something, and they needed to see results."

In 1987, the local electric company's generating plant closed and dealt a major new blow to the area's economy. The local school system was particularly hard hit, because of the loss of much-needed tax revenues.

The president of Hocking Tech decided that the college, as a major employer in the community, would need to fill the void in economic development leadership. Because of the unique New England-style square in Nelsonville, the many Victorian-era buildings and homes throughout residential and business districts, and the natural beauty of the area, the community's greatest asset to promote local economic development was judged to be its tourism potential.

"We felt people needed to see other areas that had faced the same things we were facing in regard to an economic decline. They needed to see and talk with people. Above all, they needed to learn the importance of a focus. There's no point in beautifying a community if you don't give people a reason to stop when they drive through."

At the same time, the greatest constraint to local tourism development was judged to be the lack of a focus for the area as a tourism destination. A vehicle was needed to develop enthusiasm and support for such a focus as well as to carry out tourism development activities. The president of the college proposed a new organization and a classroom format to achieve this consensus building. The new organization, Nelsonville 100, was formed in 1987, and the class, called NEED for Nelsonville Economic and Educational Development, began in the fall of that same year.

By November, the group had divided into project committees, including the Nelsonville Greenbelt Project, Nelsonville Towne Centre Development, Hocking Valley Scenic Railway Re-Development, and Nelsonville Beautification. Each committee was encouraged to recruit more people. Participants did not have to be in the NEED class or the Nelsonville 100 group to get involved.

"The neat thing that evolved from all this, and it was visible from the second meeting, was that people who had long been on different sides of issues--tax levies, city council elections, mayor races--began pulling together. You would see people out with shovels and little plats of flowers exchanging flowers and truly enjoying one another. A good feeling of community spirit has been one of the most vital things that has come out of this."

The project committees accomplished several goals in their first year. The Nelsonville Greenbelt Project has cleaned up along State Route 33, the only access highway through Nelsonville and into the southeast part of the state. In an attempt to create a warm and pleasant welcome to those passing through the community, countless hours were spent clearing brush and cleaning up years of accumulated debris on stretches of land owned by the government and private businesses. Individuals, businesses, and civic and social groups assumed responsibility for the upkeep of sections of highway. Awards were presented recognizing the best of those efforts.

Hand in hand with this project was the Nelsonville Beautification Project. Local paint stores offered discounts to home and business owners. Nurseries and greenhouses encouraged residents to spruce up yards with a similar discount for flowering plants and shrubs.

"We feel that by focusing on restoration and combining restoration with the historical interpretation, we will not only bring people into the area but when they leave, they'll take with them an understanding of what they've seen. Interpretation, whether it's living history or nature, can provide a vast amount of knowledge in a way that can be remembered."

"I'm a Nelsonville native, so I know these 100 people. If someone had asked me to take the list and identify who the movers and shakers would be, I would have missed it entirely. For example, one lady on her own has managed to plant three plots on the Greenbelt project. She grows flowers from seed and provides them to everybody else. She has become our consultant! You never know what will shake out from the group and what talents people have."

"A core group of the Nelsonville Greenbelt Committee, for instance, meets every Saturday morning for coffee. They decide what they want to have happen over the next month. And they really put the pressure on each other to see that things happen. There's an amazing amount of work accomplished over a cup of coffee."

In Towne Centre, three businesses now occupy space that was previously vacant. Two businesses developed because of grants the college received--a bulk mail business and a telemarketing center that serves five businesses throughout the region, one of which is an international corporation. A rental office providing information to students on alternative community housing has relocated into Towne Centre. A banker, also a class participant, has expanded his bank's office space into an adjacent vacant building.

The long-term tourism strategy that evolved from the classwork is to develop a theme of "working restoration" in the area. Towne Centre will focus on bringing in small restoration businesses where tourists will watch as craftspersons repair and rework pieces of the past and create reproduction items used for restoration. A roadside rest will provide tourist information dispensed by students from the college's Travel and Tourism program. A mine museum has been relocated to the public square. The group hopes to develop an enactment of the mining operations of the 1920s and 1930s, using students from the college's interpretive program who will be trained to talk about the effect the mines had on residents of the valley. (One of the nation's most devastating mine explosions occurred in the Hocking Valley in that era, and survivors and families of survivors are trying to keep alive the memory of that experience.) The same technique has been used at Robbin's Crossing, a little settlement of log cabins at the edge of the campus, where students are involved every weekend with interpretive activities. The Hocking Valley Scenic Railway stops at the village; about 80,000 people visited Robbin's Crossing in 1987 during the summer.

Year 2 of NEED began in the fall of 1988. Future plans include more field trips and courses in grantsmanship, marketing small businesses, tour development, and desktop publishing for developing pamphlets and brochures.

Outreach, Delivery, and Staffing

The Nelsonville 100 group was recruited through extensive contacts by the college president and administrative staff. At first, a few area business leaders, bankers, attorneys, and others were invited to come to the college to discuss informally the idea of a new organization and a training class. They, in turn, were asked to recommend more prospective participants.

The class began in the fall of 1987 with about 85 community participants who are all members of the Nelsonville 100 group. The class required a tuition payment of $400 per quarter. About half of the 85 participants paid in cash, and the other half elected to donate time through the college's tuition work-off program.

"One very important thing about these meetings: we also give people an opportunity to say whether or not they're pleased with the outcome thus far...and what they feel we should be doing that we're not doing. We feel this is very important because most people begin these projects with expectations that are never met, and for many this is a genuine frustration. By being able to express this frustration, you can help them get rid of it so they can move on to the next stage."

The first year's classwork included a total of five evening meetings over nine months. Committees met separately to plan and implement their strategies. Meetings were held at 7 p.m. at the college. Classes were also used to report on the accomplishments of the committees and to see what lay ahead in the next few months that would require special resources. Participants had an opportunity to realign themselves with other committees at each meeting using sign-up sheets on the walls.

Lectures and class meetings alternated with field trips. For the field trips, bus tours were organized to Ohio, Pennsylvania, New York, and Indiana on idea-gathering missions. The college paid transportation costs, and each person paid his own lodging and meal expenses. Between 18 and 42 participants from the class attended the four trips. Cost per participant for these weekend trips ran about $75.

The first year's program was so successful that a 1988-1989 class has been started to follow up on the efforts of Year 1. The college expects to get all 100 of the original group back to participate again.

An estimated 10 percent of the college president's regular time and an extensive amount of personal time have gone toward the NEED effort. There are three other full-time college personnel who contribute a significant amount of time to the project and a student intern who devotes about 25 hours per week to the effort. Tasks include planning special seminars, writing progress reports, making necessary phone calls, etc.

"I think we'll get all 100 of them back for the second year. This is a small community, and it's very important to be a part of what's going on. You don't want to find it out second-hand. This need that people have to be involved has turned out to be a very valuable resource in itself."

## Participants

There is a wide diversity of participants. They have included bankers, housewives, educators, maintenance people, businessmen, and others. About half of the Chamber of Commerce is part of the Nelsonville 100.

"We have a couple of people on the staff who make those phone calls urging people to come. People will respond to phone calls but not to a letter."

## Funding

Direct expenses absorbed by the college to develop and implement the program are estimated at $8,000-$10,000. Tuition fees collected in Year 1 were used to partially offset these expenditures. Staff time was donated by the college.

"People who left town five years ago were coming back amazed at how things had gone downhill. But we didn't see it, because it was commonplace. People are now seeing what the picture really is--and not liking it. But because of the renewed community pride, lots of things are happening now."

The college has received two grants totaling $65,000 that were used to start the student-run businesses that now operate in the Town Centre. Both were Productivity Improvement Grants received from the Ohio Board of Regents.

"My biggest fear is that if our president were to leave, the effort would fall apart. That's one reason it's vitally important to get more community involvement. Our people have got to want to help themselves."

## Linkages

The college expects to continue to spearhead the tourism development effort in the short-term future. It is hoped that the Chamber of Commerce will fund a half-time position for an economic development director and that a regional tourism development group will eventually form.

One new organization has already formed as a result of NEED. Nelsonville Towne Center Inc. was formed as a nonprofit corporation to purchase and preserve a historic theater on the public square. The corporation plans to identify appropriate tourism uses for the theater.

## Contact

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Materials available include brief descriptions of student-operated businesses and summaries of the NEED programs.

OKLAHOMA

## AN ADVANCED MANUFACTURING DEMONSTRATION PROJECT FOR RURAL MANUFACTURERS
## OSU TECH, OKLAHOMA

Oklahoma State University Technical Branch--Okmulgee (OSU Tech) is located about 40 miles south of Tulsa in eastern Oklahoma. The manufacturing economy of Oklahoma, long dependent on the oil and gas industry, has been severely depressed since about 1982.

"Rural machine shops, because they're small businesses, have tremendous opportunities in the government and military market. Their biggest problem is that their equipment doesn't meet the tolerance levels that are required, and they don't have in place any of the statistical process control which brings their quality control to the level required by government contracts."

Over 90 percent of Oklahoma's manufacturing firms are small (less than 20 employees). Many of these small manufacturers have strong ties to rural areas and have been resourceful in starting small businesses in order to stay in rural areas. However, in the past much of the rural manufacturing was based on supporting the oil and gas industry with service parts, ranging from tanks to small parts. When these small manufacturers began trying to diversify and make other products, their lack of advanced manufacturing techniques--long ignored because of the past profitability in meeting in-state demand--left them globally uncompetitive.

"If you're going to spend taxpayer money training people, you'd like them to be employed in your state. So we saw that we had to help Oklahoma's manufacturers see the wisdom of change. It's a productivity program more than anything else."

In 1983, OSU Tech focused its technical training on the specific niche of emerging and advancing technologies. Advancing technology programs--computer-integrated manufacturing, robotics, computer-assisted drafting, waste management, and video arts--had been developed. However, in the case of advanced manufacturing technologies, a major problem had become apparent: the school was preparing high-quality manufacturing technicians who knew much more about advanced manufacturing processes than those who might have hired them. In fact, many of these employers were using antiquated manual processes.

"We want to make sure people realize that the innovative techniques aren't strange, or that expensive--that they're really very prudent."

The campus director and the head of the manufacturing department had been instrumental in getting a Technology Resource Center (TRC) established at OSU Tech in 1986. The TRC had been started primarily to provide high-quality, task-specific training courses in advancing technology for job training agencies and private companies. Other programs, such as a business incubator and an advancing technology development project, had become part of the TRC's programs. A natural growth for the TRC became an advanced manufacturing project, designed to change both the philosophy and the production processes of the region's small manufacturers.

Specifically, the advanced manufacturing project was designed to provide three services: (1) a demonstration center for state-of-the-art equipment; (2) training, both in the facility and at the manufacturers' shop; and (3) consulting services for manufacturers who want to

"The equipment is expensive, and the people who could make best use of it are very conservative investors. It's pretty hard to convince them sometimes that these investments are really going to make them all the money you know it's going to make them--or that the market will be there when they have the capability. Particularly in Oklahoma, we have a tremendous number of dollars that go outside of Oklahoma for military and government contracts that could stay within our state."

"The objective of the workshops was to get manufacturers to the point where they could analyze the potential of new technologies in relationship to their own business. Our focus was from a productivity perspective--to make them more productive and competitive."

"In Oklahoma there is no mind-set for the use of manufacturing cooperatives. But if we tell them there is an umbrella organization that can secure the contract for them and their obligation is merely to make the 20 widgets their shop can make, then I think we'll get somewhere."

"We're looking for those manufacturers who, because of what they've produced in the past have the potential for greater productivity now. We take a hard look at those who made parts for the oil and gas industry because we know what their equipment can make and what is now in demand. For example, the aviation business around Tulsa is booming--there's a big demand and we'll be marketing to them."

upgrade their equipment or production processes but do not know how.

In 1987, the institution established a computer-integrated manufacturing center. Funding for the project came from state, federal, and private sources. The center is located in the Noble Center for Advancing Technology, a legislatively and foundation-funded facility developed in 1985.

The program the first year focused on workshop presentations for small rural manufacturers. These workshops were designed to teach small manufacturers how advancing technology can enhance their company's productivity in a cost-effective manner.

The focus for 1989 is expected to be on-site assistance to integrate computer-assisted manufacturing and flexible systems onto the shop floor. Other emphases will be quality control and statistical process control, designed to move manufacturers to the zero defect level. Another goal is to put together a data base that will allow the TRC to define the capabilities of various machine shops. Hopefully, it will be possible to network shop owners to meet contract requirements as a group when one shop alone could not meet the requirements.

The TRC provides its services throughout the state. However, over 70 percent of the work has been done within 50 miles of Okmulgee. This area represents 10 counties and a population of 300,000 rural residents.

Outreach, Delivery, and Staffing

In 1988, the TRC conducted its first survey of small manufacturers in Oklahoma in conjunction with the Oklahoma Department of Commerce. Surveys were sent to about 3,800 small manufacturers. Information obtained from manufacturers included the growth of their technologies over the past 18 months, the training their employees had undergone, and what they perceived as their future needs. The data base will be held at the Department of Commerce and will be annually updated by TRC. The survey instrument is available for use.

The survey indicated small Oklahoma manufacturers had some knowledge of advanced manufacturing processes but were hesitant to use them. Most had not adopted any of the advanced technologies--in fact, an extreme void was found to exist. Accordingly, a training program was designed which offered four different workshops at the TRC. A quarterly technical newsletter was also initiated. The newsletter is aimed at stimulating interest in innovative techniques. Free subscriptions are available.

"We didn't expect to have a lot of changes after only six months. The most common thing that occurred after the workshops was increased use of computers for internal business management--word processing, billing, and inventory control."

"The technology itself has changed so rapidly and so dramatically that not only were the manufacturers left behind but our staff was left behind as well! We had as one barrier the need for professional development for our instructors--and it's very difficult to make the time needed to maintain this professional knowledge."

"Really, we had some superhuman efforts to pull the program off that first year. We had $150,000 to spend on equipment, and to do that in a prudent fashion--comparing equipment, making the decision, buying the thing, getting it installed and up and running and demonstrable--that's a lot of work. And all these people had 25-30 teaching hours a week and were doing all kinds of other things as well. A lot of people should be complimented for that effort."

"One thing we did wrong was to not hire a full-time person right out of the chute. We should have because we hit a wall about the eighth month into the project when all the instructors just ran out of time to give to it. We needed a full-time person then, and it has taken us about six months to get past that barrier. And we still don't have a person hired."

Based on survey results, four workshops were organized. Topics included computer use in business, flexible manufacturing systems, computerized inventory control, robotics, computer-aided design, and advanced management techniques. The program focused on a six-county area around OSU Tech in eastern Oklahoma. Invitations were sent to 400-500 small manufacturers. Each workshop ran from 8:30 to 4:30 on a weekday. Staff from OSU Tech, the Oklahoma Department of Commerce, and major accounting firms were used. Average attendance at the workshops was 25-30 persons.

As of fall 1988, a second survey was being prepared that would also identify changes in staffing, manufacturers' adaptation of advanced manufacturing technologies, and perceived market barriers to the success of their business.

Staffing the first year was done on an ad hoc basis. An interdisciplinary team representing electronics, drafting, manufacturing, and business instructors from OSU Tech was formed to decide how the program would run, what equipment would be purchased, etc. The first year these instructors contributed about 10 hours per week of their time. As of fall 1988, the program was seeking to hire a full-time advanced manufacturing technology transfer specialist whose job would be to increase the use of the TRC by business and to provide consulting services for the manufacturing industry. About 20 percent of the center director's time was required in the first year, and this level of effort is expected to continue after a full-time specialist is hired to run the program.

## Participants

The program has been targeted to small rural manufacturing firms (those with fewer than 20 employees) with production history or a production potential to serve the government, military, and aviation markets. There are an estimated 1,500 such firms in Oklahoma, and roughly 60 percent of these are located in OSU Tech's service area.

## Funding

The program has been primarily financed through the Oklahoma legislature and the federal government. The state legislature has appropriated $100,000 each year for two years. The federal government, through the Carl Perkins vocational education funds, has also provided $100,000 each year for two years. The Noble Foundation, which funded the TRC building and the demonstration center with approximately $500,000 in grants, also donated $50,000 to be used to purchase equipment for the advanced manufacturing project. Equipment donations

"My guess is that, to do it right, it's a million dollar project. We're not talking cheap equipment here--things like the lathes cost $60,000. For example, our lathe came from Australia because there were no U.S. manufacturers making one that was capable of doing the job at the tolerance levels we wanted. It's a very, very expensive undertaking."

"One key to success for us was our linkages with the Alliance for Manufacturing Productivity and the Consortium for Manufacturing Competitiveness. These gave us critical access to technology knowledge that we would never have had otherwise. When someone has something new they want tested, they come to us. So we're out in front all the time."

through the Alliance for Manufacturing Productivity, which is represented by 22 community colleges around the country, have resulted in an estimated $100,000 worth of free software. In addition to the $250,000 to fund the program in Year 1, OSU Tech will be hiring the new program specialist using appropriated educational funds for the institution as a whole.

## Linkages

OSU Tech became a charter member of the Alliance for Manufacturing Productivity in 1986. In 1988, OSU Tech was selected Oklahoma's representative in the Consortium for Manufacturing Competitiveness organized by the Southern Growth Policies Council.

The director is a member of the Northeastern Oklahoma Economic Development Authority. The campus director is president of the local Chamber of Commerce. At the state level, representatives of OSU Tech serve on advisory committees such as the Department of Commerce's economic development committee.

## Contact

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Materials available include an executive summary of the Technology Resource Center, the Center's Annual Report, and assorted fact sheets.

## PRODUCTIVITY THROUGH WORKPLACE LITERACY PARTNERSHIPS
## UMPQUA COMMUNITY COLLEGE, OREGON

Umpqua Community College (UCC) is located in Douglas County in southwestern Oregon. About 85,000 people live in this 5,000-square-mile rural county. About half of all the nation's remaining old growth timber is found in Douglas County, and the economy has always been very dependent on the timber resource.

"Understand that in the competitive lumber manufacturing organization, fewer employees with more sophisticated machines are processing more wood products in order to compete in a global market. New machines, including computers and sophisticated hydraulic equipment, require new skills. The brute strength jobs are disappearing."

The timber industry entered a recession in the early 1980s, when the market for timber products fell. Since 1982, Douglas County has lost over 5,000 residents. The industry has been fighting for survival ever since, with the largest companies investing millions of dollars to increase productivity and reduce costs. Increasingly, computers, laser beams, and robotlike hydraulic-assisted machines are being installed. The workers in the lumber/wood products industry have found their educational skills more and more strained by technological demands in the workplace.

Umpqua Community College recognized the importance of forming partnerships with wood product manufacturing facilities in order to upgrade the skills and thereby the productivity of employees in the region. An example of one such effort has been the workplace literacy project at Gregory Forest Products Inc.

"Glendale could be called a company town. GFP employs about 450 people in its three-shift lumber and plywood complex."

In 1981, in the tiny town of Glendale (population 600), a rundown sawmill and plywood plant was purchased by a Portland businessman. As a result of major capital investments to improve the mill efficiency (in spite of a major recession), the new owner had returned Gregory Forest Products (GFP) to profitability by 1987. Millworkers were benefiting from a profit-sharing plan, and there were several other examples of cooperative spirit that the new owner had brought to the community. The small Glendale school system had received money for its industrial arts program when the local budget levy failed. GFP had bought a local health clinic building, hired a nurse practitioner, and started a health advocacy program for millworkers.

"This guy has not only helped a lot of kids go on to college, but he's also given new meaning to learning on the job."

In early 1987, a quality control supervisor at GFP became aware that some of the 400 employees were virtually illiterate. Alarmed at this, the owner revised company policy to be certain the mill would no longer hire anyone without a high school diploma. He emphasized his support for education by offering $500 scholarships to Glendale's graduating high school seniors who went on for postsecondary education. A literacy class in the plant seemed the next logical step.

"The men get no promises of better jobs. The union ensures against any special treatment of particular adult learners. But they know their peers with low skill levels in reading, writing, and arithmetic are usually the first ones laid off because they cannot handle a variety of jobs. And I feel we have saved jobs."

"All the plant managers, not just the owner or the Human Resource Manager, need an informative and persuasive sales pitch. Introductions on a tour are not enough. You must communicate what you can do, how it might actually operate, and when/how you will get started. Require management to designate a responsible contact person."

"Listen to their perceptions of themselves, their failures in school, why they missed phonics, and their previous attempts at GED. Sell those people who will sell your program."

"Initially the owner offered to pay employees for half of their class time. Nobody would take him up on it! They said, 'Hell, if you'll put the class in the plant and make it that convenient, I can certainly get my can over there and learn something. I don't need anybody to pay me to go to school to improve myself, for gosh sake.'"

In May 1987, GFP and UCC formed a partnership. Glendale is 80 miles from the UCC campus, but UCC established a multimedia Learning Skills Center in the mill to provide individualized instruction. The Learning Lab encouraged employees who were most in need of basic skills to take instruction.

In addition to working with GFP, the college has initiated a similar Workplace Literacy Project with one other wood-related business in the area.

Outreach, Delivery, and Staffing

On the basis of the GFP project plus one other workplace literacy partnership, the college has identified a series of steps in successful recruitment for such a program. These include the following: (1) describe the program personally to the managers, those people top management identifies as the ones who work with the people most in need of basic skill enhancement; (2) ask the supervisors to identify four or five workers interested in self-improvement and willing to talk to others; and (3) meet with the key hourly representatives, listen to them, and explain how the individualized approach is going to be different from their previous educational experiences. Ultimately, word of mouth and the informal grapevine were the best ways to recruit.

In the case of GFP, the Learning Skills Center was made very convenient by placing it inside the Purchasing Building. This was also an important strategic decision because it reduced the subtle rivalry between the sawmill and plywood plant workers by being in a neutral area.

The center operates four hours each day, Monday through Thursday, between 1 p.m. and 5 p.m. No more than six adults are taught per hour. Instruction is intensive and is based upon diagnostic testing. Employees participate on their own time.

Extensive use is made of microcomputers in the college's Workplace Literacy Programs. There are over 100 VHS tapes of 30- to 50-minute duration that provide single concept instruction, from short vowel sounds to GED Science. There were 10 audio/visual/computer learning stations available at GFP, for instance.

After the first year of the program, GFP hired a full-time GFP employee to coordinate training and development, not just in basic skills but in other technical training such as hydraulics, word processing, and team building. This GFP employee was trained by UCC in multimedia and individualized instructional techniques, and UCC has continued to provide the educational software, video, and work texts. During FY'88, UCC

"It is important that adult learners see themselves using the identical keyboard they see supervisors and office workers using on their jobs. This increases the status of individuals in the lab."

"In many ways they share a bravery because they had not been successful in school--and here the school is coming into their own workplace. Most seemed to feel empowered as they seek self-improvement."

"It's labor-intensive to do an individualized instructional program. Every Monday morning you start with somebody new. Our commitment was to have the best damn instructional program we could get. We had 10 complete GED and everyone who worked gained something."

"GFP liked the idea so well that he wanted a tighter linkage. Eventually, he hired a full-time employee to teach the basic skills program as well as to develop other training opportunities for employees at the plant. The college participated in the hiring of that person. He's technically also on our staff because we hired him part-time."

"Assign your most skilled, best qualified part-time instructor available to the project, and one who is comfortable in the workplace with the workers. You would <u>not</u> send a campus-based, language arts faculty person to work part-time inside a mill complex. You must recruit locally. The person needs to be skilled in working with adults, including foremen."

UCC served over 50 GFP employees in the Basic Skills Partnership and a larger number in the technical training program.

Staffing and support are critical in an individualized Workplace Literacy Program. A full-time master's level faculty person and one to two aides are required just to provide the instruction. In addition, approximately 5 percent of the time of the Director of Developmental Education Programs at UCC has been required to administer the GFP program, for example.

## Participants

Each adult participant shared the desire to "give education another chance." Their venture into a college learning laboratory inside their workplace seemed to offer a chance for self-improvement. Some want out of the mill, some want better jobs in the mill, but everyone wants to improve his lot in life. They are more comfortable in their workplace than if they had to take the chance of exposing themselves by attending a UCC night class offered in a local high school classroom in a very, very small community. There is some safety in the workplace literacy approaches.

## Funding

Each Workplace Literacy Program is set up as a partnership. For example, GFP paid for the 16 hours per week of instructional time at an hourly fee ($25) that was estimated at half the total cost. The company also bought the computers and all supplies. The computers used were the type the company used in the plant. GFP also provided a liaison person from their management. For their part, the college provided the instructor and one aide, sometimes two. The college provided all educational software, videotapes, video players, and audio equipment. The college also provided coordination, testing, and record keeping and reported to GFP formally and informally.

For 15 months of the program at GFP, the company paid an estimated $20,000 and UCC contributed approximately $30,000 for a total annual cost of $50,000. The college's share was met partially through state reimbursements for education from adult instruction and also through an Adult Education 306 set-aside grant for innovation received from the Oregon Office of Community Colleges. The administrative and supervision support, estimated at $2,000, has come from the college's departmental general fund budget. Both GFP and UCC are pleased with the investments in their "Partnership for Growth" and look forward to an ongoing relationship.

"The owner, Bill Gregory, will tell you that he feels that if employees leave and go somewhere else after the classes, that's still better than having an employee who can't read or write."

"It's plain good business sense to help people better themselves."

## Linkages

The college is attempting to expand the Workplace Literacy Partnership approach. Recently UCC, together with Lane Community College, teamed up to submit a proposal to the U.S. Department of Education from Lane Community College and the Southern Willamette Private Industry College. The proposal was to facilitate literacy programs for wood products industry employees throughout the two college districts. The proposal had support from the lumber and sawmill workers union, the Forestry Association, the Northwest Timber Association, the National Forest Products Association, and others. While it was not funded for FY'89, the colleges plan to revise and resubmit the proposal in 1990.

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Materials available include newspaper descriptions of the program, a video of news clips, and a copy of the *Congressional Record* describing the GFP success.

## A PROCUREMENT PROGRAM AND A MODEL FOR SUCCESS
## NORTHEAST TEXAS COMMUNITY COLLEGE, TEXAS

Northeast Texas Community College (NTCC) is located in Northeast Texas and has a three-county service area consisting of Titus, Morris, and Camp Counties, with a combined population of 47,000 people.

"When this college was created, the environment was such that the people who were putting it together from Day 1 were telling everyone of its compelling economic necessity for the area. Morris County had over 25 percent unemployment, and an estimated 7,000 direct jobs had been lost from a county that had only 12,000 people to begin with! The people decided to fight back. They knew they had to do something different from what they had been doing."

The college has only been in operation since fall 1984. At the time that it was being proposed and its tax district being formed, devastating layoffs were occurring at Lone Star Steel, the region's major employer for 25 years. This company's major product had been oil country tubular goods. From a peak employment of over 8,000 employees, the company had been reduced to 600 employees. In addition, an estimated two to three jobs in the support industries had been lost for every steel company job lost. In part, the depressed economy probably contributed to the college's approval by voters in 1983.

"The trustees really didn't know how they wanted to make an economic impact. They knew it was imperative, but they had no specific plan. For the first couple of years, they pursued the traditional path--providing well-trained, flexible, adaptable workers to meet industry's needs."

It was a logical consequence that the college's board of trustees knew they wanted economic assistance to businesses to be part of the college's mission. The college president was also committed to economic development as a priority. A major opportunity came in 1986, when the Northeast Private Industry Council requested proposals for organizations in the area to establish a government procurement center. The college made a presentation to the council and was awarded a grant in September 1986 to begin the procurement center program.

"The president, senior vice president, and executive dean did some research and helped fashion the procurement proposal. But they really didn't know what they were getting into. Most of Texas' procurement centers are located at COG offices, not community colleges."

The procurement program began within the college's Business and Industrial Development (BID) Center in January 1987, with the purpose of assisting small businesses identify government contracting opportunities, prepare responsive bids, and successfully complete any contracts awarded. Since that time, the procurement program has shown a remarkable success. As of December 1988, the program had served 115 clients who had been awarded 127 contracts worth over $5,570,000. These contracts have created or retained nearly 200 jobs.

Within the umbrella of the BID Center, several other economic development programs are also being pursued. First, a Model Economic Development Program was funded by the Texas Higher Education Coordinating Board. In its first year, 1987, this program resulted in an extensive 208-page publication (June 1988) that is a blueprint for community colleges in Texas to follow in establishing their own business assistance services. Second, a Small Business Development Center (SBDC) was initiated in 1987 with a grant from the U.S. Small

"We're working on a program with our electric utility companies and our telephone companies that is about to go operational. We're going to create a data base of vacant and available commercial and industrial property that we can search by characteristic and in moments produce all of the property that meets the criteria of the prospect."

"We want to know if it's feasible for a frozen food processing and marketing facility to be built in the central region of northeast Texas."

"What this brought us was a client base of about 50 people, almost none of whom could ever successfully have been a government contractor. People who had been laid off for two years would come in and say, 'I need a government contract.' They had no plant, no employees, no operating equipment, no capital--no nothing! We were working very long odds on most of these folks."

"I realized there was a lot more to government contracting than knowing how to push the paperwork through. When I toured a machine shop, I realized very quickly I was lost. My background is in economics, finance, and management. I couldn't tell you a milling machine from a sewing machine. Then the perfect guy just walked right into our lap. He not only knew how to push the paper, but he knew what the machines could do. He could speak the language of the manufacturers. And that's when we really took off."

Business Administration to provide free counseling and training for small business owners and managers. Third, a pilot project referral system for commercial/industrial real estate in rural northeast Texas has been funded by the Texas Higher Educational Coordinating Board. This system would allow a prospect to cover many different brokers' listings over a broad geographic area with a single contact.

In addition to these initiatives, the Center is beginning a market feasibility study for a vertically integrated food processing plant. Years ago the area grew considerable truck garden farm crops. Gradually, beef and dairy cattle and the timber industry replaced the small farm operations. The Center is applying for grants to conduct the feasibility study to find out if the area can return to fruit and vegetable production. Finally, the college is actively involved with a number of customized training programs including a computer literacy program.

The procurement program and the model economic development program are discussed in more detail below.

## GOVERNMENT PROCUREMENT PROGRAM

### Outreach, Delivery, and Staffing

The Center's recruitment strategy has evolved dramatically. When the Center started, primarily newspaper stories and presentations to civic clubs and chambers of commerce were used to create awareness of their services. They accepted as clients everyone who applied for assistance.

After six months without receiving any contract awards, the approach was changed to target companies that had sufficient size, sophistication, and previous success in the private sector market with their product that they could successfully compete for government contracts. After success with a few small contracts, another key change was made: an individual with a background in manufacturing was hired. It was this person's expertise in quality control procedures that really brought the Center to its current strength.

The Center recruits the clients it wants now, based on daily review of the *Commerce Business Daily*, the *Texas Register*, the *Federal Register*, and the Defense Automated Bidder's Service. When industries become clients, the staff thoroughly acquaint themselves with the company and review the federal supply classification system to determine which areas should be watched for leads. This information is entered onto the client's management data base that is used in conjunction with the automated data base to generate matches, or leads.

"A lot of procurement centers will send out every lead. But if you send a company 25 leads in a day and 24 are junk, they'll never find the one that was worth it."

"The secretary handles all the computer work, including automated bid searches and market research. We can search 14 million items and narrow down what a company with a given type of machine might be able to utilize to become a government contractor."

"We went to our U.S. Congressman and just kept asking. It took one year, but now the purchasing officers send us every bid that they send out."

"With a contract in hand and a good business plan, it's difficult for a lender to say 'no.'"

"If you can't fill out the bid packet correctly, the government eliminates you from the competition because they figure you won't be able to follow the other procedures. And they look to disqualify as many bids as they can on technical reasons because that means fewer they have to review in detail."

"The $600 hammers and $900 toilet seats get a lot of publicity, but those are very much exceptions. More frequently, companies bid government jobs so low they end up losing money on the job."

The Center's bid consultants only send out high-quality leads. They consider the size of the job and the complexity of the task in comparison with the sophistication of the client, probable freight costs, and other factors.

Those who wish to respond are led through the process of ordering the bid packet and completing it properly. The client fills out the information, but it is reviewed in detail by the Center staff. The bid consultants try to look at past procurement history to determine what an item has sold for in the past. If a client is way off in either direction, the Center communicates its concern to the client. Usually it takes three or four submittals before a client makes a successful bid. As clients become more independent and experienced, there is less involvement by the Center. The Center also frequently requests an abstract of awards to show clients where they finished in the competition.

The Center aggressively positioned itself to get all bids from the Red River Army Depot, the major Defense contractor in the area. Previously, companies had to rely on bidder's mailing lists, which are rotational or random. Purchasing officers only have to inform enough companies to ensure good competition, which meant that in the past bidders only received 1 out of 10 or 20 of the available opportunities. Now the Center receives every bid, and the plan is to expand this arrangement to selected other military installations.

The procurement program works in tandem with the SBDC. For example, when clients are successful with bids, they can receive help from the SBDC on their business plan and loan application package to submit either to a local bank or an SBA loan program. Also, clients who would not presently be responsible government contractors can go to the SBDC for help in getting their private sector markets and products established, and perhaps try government contracting at a later date.

Currently, staffing for the Procurement Center includes a bid consultant, a bid consultant/secretary, and a program director who is also responsible for oversight of all of the economic development programs at the college and all of the college's grant programs.

Participants

As of November 1988 the Center had 115 clients, 35 percent in manufacturing and 35 percent in service. However, the manufacturing industries had accounted for 75 percent of the contract awards. Currently retail and even wholesale firms are generally discouraged.

"We concentrate on construction and manufacturing now. Someone has to be really strong and fairly unique for us to accept them in the service sector."

The Center operates evenly in the nine-county area in order to keep the political consensus that funds the program. However, since there are no communities larger than 50,000 population in the nine counties, virtually all the communities receiving assistance are rural. Clients also tend to be small: about 90 percent have 10 or fewer employees. Generally, the larger firms in the area either already have a specialist, or they have made a decision not to do business with the government.

"The lack of assured continuity of funding is a problem. This last year, even with verbal assurance of refunding, our funding actually expired and we had to have a one-month continuation contract. Even then we got to within about a week of having to go home before the PIC actually met and approved our budget. That gets people very nervous and tends to make them want to send a resume around!"

Funding

During its first two years of operation, the Procurement Center received two grants from the Northeast Texas Private Industry Council, the first for $162,000 and the second for $120,063.

The Center staff were instrumental in encouraging software development specialists to join with the owner of the data base of the Defense Automated Bidder's Service to create a tool to use to search the data base more efficiently. This has been shared on a commission basis with the other procurement centers in Texas to generate additional revenue for the Center.

## A MODEL ECONOMIC DEVELOPMENT PROGRAM

"When we applied for that grant, we rather naively thought we could predict what every community college should have and ought to do. Instead, we have recommended a process by which needs and initiatives are compared. A survey of key players is critical to find the programs already operating. The community college should be a gap filler--it's absolutely clear that it is the kiss of death for a college to try and take a program, even if it's not operating well. There's so much to do--leave the other folks a role and link with those other programs."

Chief among the accomplishments of the first year of the BID Center was completion of the publication *A Model Business and Industrial Development Program for Community Colleges*. This report includes detailed descriptions of 23 alternative business service/support components for a community college's role in economic development. A detailed discussion is also presented of the economic development roles of such other organizations as councils of government, private industry councils, chambers of commerce, industrial development foundations, elected representatives, local support groups, community and junior colleges, universities, and state agencies.

"Under the model program, we're working with community leaders to train them, for instance, on how to put together a recruiting team so that they know what to do and say when prospects do come to town."

The model program encourages other Texas community colleges to adopt a seven-step process for developing a strategic plan for building their own programs. These steps include gathering key players, identifying critical needs in the service area, determining existing programs, highlighting gaps, networking key players in support of existing initiatives, prioritizing needs, and building the college program. Discussion is given on blending the "traditional" and the "emerging" views of occupational education support for economic development, and examples are given of each view. Recommendations are given for administering economic development projects at the community college level.

"Community colleges that have been in existence for a long time tend to have established ways of doing things and established mind sets. But it takes risk takers to do these things. Here no one has ever told me, 'You just can't do that.' If I properly develop an idea, all I've ever heard is 'we like it, try it, see if it works.' It's because we are such a young institution that I have that environment to work in."

"My coworker here got a call late on Friday afternoon from a construction firm that said government inspectors were coming the next week. Not only did he work for the company all day Saturday--and not many academics are accustomed to working on Saturdays--but it was his birthday and he cancelled all of his family's plans for his birthday and never said a word to me about it. Now that's a real dedicated person. And that's why we're succeeding."

There is also a discussion of the Northeast Texas Community College experience with the BID Center and priorities for the future for the Center. Summaries of several state and local community college economic development programs are included as well as a synopsis of relevant literature.

Funding

In 1987, the first year of operation, the model program was funded with a $50,000 discretionary grant from the Texas Higher Education Coordinating Board. The grant was again approved for 1988. This program, as well as the SBDC, has a full-time director.

Contact

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Materials available include the publication *A Model Business and Industrial Development Program for Community Colleges.*

## A CAMPUS WITHOUT WALLS STARTS A BUSINESS
## SOUTHSIDE VIRGINIA COMMUNITY COLLEGE, VIRGINIA

"The statistics for unemployment rates do not reflect the true picture because once these people drop off the unemployment rolls, they're no longer counted. The truth of the matter is that there's probably 20 percent unemployment in this area."

"We had a department store that had been here 77 years and had three stores operating. It's now closed. We had a hardware store that had been in business 119 years and it's closed."

"The first encounter I had with this group of women was when I saw them standing outside in a pouring rain, most of them without umbrellas. The company had had a rule that they couldn't be in the building before 8 o'clock. Yet if they were late, they were docked an hour. So they just had to stand in the rain. They were only allowed to go to the bathroom certain times of the day. The quotas were put so high most of the women never even got up to minimum wage. And if they complained, they got fired."

"We spent three or four hours that first day discussing the ramifications of starting a plant. I told them that we were going to need some money, and they told me they didn't have a dime. I had them elect a core group of six people that I could work with, and we started looking at other finance sources. From that day on, our goal was to open the plant."

Greensville County is located on the eastern edge of the 10-county service area of Southside Virginia Community College (SVCC). The county has long been an economically depressed rural area with a large population of "hard-core" unemployed. The medium income is approximately $9,000 per year.

In the early 1980s, a severe drought tore the foundations out of the economic base of the area. Many retail stores started into a decline that they were not able to surmount, and many failed over the next few years. At the same time, layoffs began rising within the local wood industry as more companies reduced work forces with automation technologies.

In the past, the college's programs were delivered at two campuses, neither of them in Greensville County. In the fall of 1985, the Campus Without Walls was started. Its primary mission was to bring college-level training courses and a major literacy program to Greensville County and the community of Emporia. A secondary mission was to offer training to new or expanding businesses and industries, and to operate as a small business assistance center where possible.

Only a few months after the Campus Without Walls opened, an unusual event occurred that was to demonstrate the commitment of the program's new administrator. A woman entered the office and told the administrator she represented about 50 garment workers who had lost their jobs when a local company closed. They wanted to start a business to put themselves back to work. They had the skills to make the garments and operate the plant, and they had a commitment from a New York distributor to continue buying the dresses they had been making. But they had no money and no business management or finance skills. And her request for help had already been turned down by every board, the city and county governments, the union, and the banks.

To evaluate the idea, the administrator asked the woman to assemble a group of those who were really committed to reopening the plant. There were 25 women who readily assembled and convinced the administrator of their willingness to undergo personal sacrifices in order to reopen the plant.

Six were elected to represent the group, and together with these women, the administrator then began putting together a financial plan. A CPA, an attorney, and a

banker were asked to volunteer to help the group open the plant, and they agreed to help. Commitments on the building, the equipment, and insurance were obtained. After the women agreed to start out at $3.60 an hour with no benefits, a figure of $25,095 was determined to be the bare minimum needed to open the plant.

"A black woman was going to manage the plant. The county could have given us the money, but the Board wouldn't even loan it to us."

The administrator's search for financing took him to a women's organization that supposedly financed women-owned businesses, but they turned him down. A minority financing program turned him down because the group was 1 percentage point shy of being 51 percent black. Finally, the best plan to raise the $25,000 seemed to be to get every employee to buy shares of the company for $100 each and secure a loan at 25 percent interest from the county for the remaining $10,000. Money was available in the county's economic development fund, but the county turned down the loan request.

"We had 33 people in that Sunday meeting. We told them if they would each give $1,000, it would be more than enough money to start the plant. I told them 'it is time to go tell your dying grandmother whom you've always hated and who always hated you that you want to borrow $1,000 from her and you'll pay her estate back at 25 percent interest.' One little lady sitting over at the side said she'd put up $2,000. And that started things. The bank opened up for anyone who could qualify for a $1,000 personal loan--and each one went down and borrowed $1,000 from the bank. We raised $33,000 that day."

Disappointed but still determined, the administrator asked the local banker to meet with the garment workers and their families. In an electrifying meeting, the group was told they would have to come up with all the money to lend the company themselves. The banker told the workers that every household that could qualify for a $1,000 loan could come down to the bank that day, and the money would be transferred to a company account. The women responded, and $33,000 was raised that same day. In February 1986 Lucky 13, Inc., was started.

The company began operating under a participative management system, with teams and quality circles. Because the shareholders were also the employees, the company requested training from SVCC in interpersonal skills and assistance in making the transition from workers to being owners/employees. In-plant management training and participative decision-making skills were taught. Some employees took college classes on economics, finance, supervision, and management.

"At the first board of directors meeting they didn't have any idea what a board of directors did. They didn't know that the treasurer gives the authority to the office girl to write the payroll checks, for example."

Within nine months of opening, the company had paid off all the personal loans. The bank had loaned the money at 13 percent interest, so the women and their families made 12 percent interest on their investments. As of fall 1988, there were about 100 employees at Lucky 13, Inc. Quality had been built into the plant's operation at the outset, and in the first two years of operation Lucky 13, Inc., did not have a rejected garment. Furthermore, a second buyer was found, so the women were getting more for their garments than the $24 per dozen they had been receiving in 1986.

The SVCC's Campus Without Walls has continued to provide small businesses development assistance to many individuals since opening. The administrator works on several committees, including Community Development

Incorporated, a nonprofit development corporation in Emporia; a Chamber of Commerce committee formed to assist in attracting new business to the area; and a Business Council formed to help retail businesses overcome the current economic slump in the area.

Outreach, Delivery, and Staffing

"With something like this, you have to become totally involved. I was there every day for three months. On the other hand, there comes a point where you have to see it is no longer your responsibility--and you have to keep some distance. You can't make the decisions for them; they have to be able to make them on their own. You have to stay as a cheerleader, mentor, and coach. And before you do anything, you have to find out just how committed each individual is."

The administrator depends primarily on personal presentations to local groups such as the Chamber of Commerce to disseminate information on the programs of the Campus Without Walls. The small business assistance work has emphasized business planning for entrepreneurs interested in purchasing or starting a small business, and assisting the downtown area of the local community capture a larger share of the retail market. The program functions with one full-time administrator and a part-time secretary.

Participants

In the case of the formation of Lucky 13, Inc., the employees who became the new plant's owners were almost all women. Many of them had had little more than a sixth grade education. They were both white and black in roughly equal numbers.

"For the first time, the town's going to have a coordinated effort for the Christmas season--store hours, specials, a theme, major events. For years, retailers here had a lock on consumer spending because people didn't have vehicles and they had to shop locally. Now, with better wages there is more mobility. People are going to outlying shopping centers, and the retailers have continued to operate in a 1930s mode. It's been a major problem to overcome the thinking."

Funding

The total annual budget for the Campus Without Walls program is about $125,000. These funds come from an SVCC appropriation. Also, the program received a Workplace Literacy Grant for $9,600 from the State Department of Education in 1988.

Contact

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Materials available include an overview of the formation of Lucky 13, Inc.

## RURAL ENTERPRISE DEVELOPMENT
## BLACKHAWK TECHNICAL COLLEGE, WISCONSIN

Blackhawk Technical College is located in south central Wisconsin and serves major portions of Green and Rock Counties in an area approximately midway between the east and west boundaries of Wisconsin. The district served includes 1,225 square miles, 837,000 acres, and approximately 3,500 farms. Rock County is a leading state producer of corn, soybeans, canning peas, sweet corn, green beans, and hogs. Green County is principally dairy farming with most crops being utilized as feed.

In 1986, Rock and Green counties had been hit hard by the agriculture crisis. The number of farm loans was high. Many were in foreclosure, and four times that many were predicted by their creditors to lose their farms. The inability of farmers to service their debts was causing near crisis conditions among major agricultural loan agencies including Farm Credit Services and Farmers Home Administration. In addition, several industrial plants, where many farmers also worked, were in danger of closing. It was the first year the Job Training Partnership Act (JTPA) had a program for displaced farmers, and the chairman of the Agriculture Division at Blackhawk Tech took the initiative to apply for a displaced workers program grant.

"This year there are two other schools using either a JTPA grant or a VEA grant to assist farmers. Both of these were initiated because of our success."

"Blackhawk Tech was the only Wisconsin institution to apply for funding the first year. But it wasn't hitting the people we wanted--we wanted to get people before they lost their farm. It was just unacceptable."

The grant was approved, and in August 1986 BTC operated a Title III funded project entitled "Retraining for Dislocated Farmers." It was originally designed to assist farmers, their spouses, and agriculturally related workers in Rock and Green counties who had been affected by the troubled economy. In its first year, 56 farm families applied for the program. But, because of the restrictions imposed on the project, only 12 families qualified for assistance. In July 1987, BTC began operation of a JTPA 8 percent funded project entitled "Rural Enterprise Diversification." This project addressed the need for skill and knowledge acquisition for development of farm diversified enterprises. BTC's current and ongoing project, begun in June 1988, is funded by two grants--a VEA and a JTPA 8 percent--in which 100 farm families will be assisted.

"If you're going to offer anything in rural development, you must offer career assessment. A lot of farmers just can't be in this business anymore. Throughout the United States 80,000 farmers are going to go under this next year. We've got to retrain them or do something with them."

Currently the RED program offers three tracks. A career assessment track is designated for farm families that will be needing a new career or new job. The second track is a small business development program for farm families who want to start a second business on their farm. Anyone in the rural communities affected by the farm situation can enter this program as well. The

"For our first 1988 session, we've received a positive response from all 15 participants in the career assessment track. Five have acquired jobs and 10 have finished their resumes and are actively seeking a job. Even that step is hard when you've been out of the job search for so long."

"This is a little unorthodox, but it works really well. The auctioneer mails the posters to about 600 places in August and September. And every farm auction he goes to, he posts it among the sale bills. The banks and farm credit services have also been extremely helpful."

"We also have a lot of 'pop-ins' who come to the office with stress problems. We do a lot of advising."

"We have shared a lot of our ideas with Kirkwood Community College and Des Moines Area Community College in Iowa."

third track is for farm families who want to remain on the farm but need to improve a certain skill (e.g., record keeping, farm management, farm equipment repair). In June 1989, an estimated 100 persons will have completed one of the three tracks.

Outreach, Delivery, and Staffing

Radio, newspapers, magazines, presentations, and 750 brochures have been used to create awareness among farmers of the RED program. In addition, the coordinator works with a local auction service that has mailed out over 600 flyers on the RED program and hands out brochures at various local auctions. The coordinator is active in many rural organizations and works with banks and farm credit services as well.

Many more have applied than the program can serve; participants are selected on the basis of economic need as well as on a first-come basis.

At the outset, staff do a general interview process with the farm family. The farm is inventoried, and counseling sessions are conducted. The farm family in conjunction with the RED staff decides the appropriate track to follow.

All the RED tracks begin in October. For the career assessment track, two-week minicourses are offered throughout the year teaching job-seeking skills. Examples include how to prepare a resume, how to interview, etc. Blackhawk Tech works with temporary job agencies and placement offices as well as county employment agencies. About 15 farm individuals take the course at one time.

The small business development track is a 2 1/2-month course from November through January. The course is conducted in three-hour time frames. Workshops meet from 1 to 4 p.m. or from 7 to 10 p.m. The first week emphasizes the nature of small businesses, stressing that a farm is a small business and that the farmer is the entrepreneur. The second and third weeks deal with marketing and marketing strategy. Ideas incorporated into the class include product selection, market classification, promotions and advertising, and sales efforts. The third and largest section deals with development of a business plan, with an emphasis on managing business finances. Included in this are cash flow, management, financial statements, equity relationships, break-even analysis, and risk management. A few participants enroll in the course to learn how to run their farms more efficiently.

Following classes, individuals develop their own business plans. Participants have four months of follow-up

"Success stories were hard to come by in 1988 because of the drought. But we had one individual, a cash grain/beef farmer and very traditional, who started raising cut flowers. He told me that, besides making money, the flowers kept his sanity when nothing else on the farm was growing. He figured his investment on the half acre was about $1,000, including irrigation, and he was making about $100 every three days throughout the summer because the local florists decided that if they could get top quality from a local farmer, then they would purchase locally."

"Within a 60-mile radius of Blackhawk Tech, we have over 120 food processing companies! We would like to get them to purchase more products from our farmers instead of from outside our district. It could really make a difference. One farm lady decided to grow zucchini and market it direct to a company. That was about the only thing that brought her an income in 1988."

"The coordinator and personnel must be from the local area. Farmers are a closed group, and they won't accept a program as well if it is run by someone from outside the area. And they must have farm experience or they won't really understand the situation."

"Many farmers are economically disadvantaged, but they can still change it, they can turn it around. The majority are looking for an answer, and they are still very positive. We do have some who come in and are very bitter, and it's past time for most of them who want to 'save' the farm. They should be off the farm, period. Those people have the opportunity to go into the career course."

consultation on an individual basis with project staff, for a minimum of about 56 hours in the program, including 40 hours of class time. There are about 35 farm families in this track each year.

The third track has about 20 farm families per class. Some of these courses included farm management, farm record keeping, conversation planning, and cost containment in agriculture. Classes run about two months.

The majority of classes are taught at Blackhawk Tech's Agricultural Campus. Facilities include classrooms, an agriculture library, and a microcomputer lab. Blackhawk Tech also coordinates with the University of Wisconsin-Whitewater Small Business Development Center to offer workshops and one-day seminars around the two-county area. Monthly mailings are sent to about 100 farm families who have shown interest in the program, informing them of these events.

In the future, a seminar on import substitution principles and supporting activities is contemplated for the RED program. Such activities might include encouraging more contracts between farmers and food processors, or between farmers and area businesses needing items that farmers could produce. A "rural options" conference is planned for February 1989 to include approximately 35 various workshops on alternative crop production; alternative livestock production; alternative rural business; management skills; new careers; and essentials for alternative agriculture. A farm family weekend retreat is also being considered.

The RED program is administered by two full-time coordinators and part-time instructors, plus a part-time clerical support person. The small business courses are taught by Blackhawk Tech staff and outside contracted instructors. Various "volunteer" guest speakers give specific workshops as well. The college contributes counseling staff.

Participants

Most participants are traditional farm families. The most common farm background is dairy farming, followed by swine, beef, and cash crop farming, with an average farm size of about 300 acres. The average age of participants is 43 years. Most are not on the edge of foreclosure but have an owner equity of less than 40 percent and have an annual income of $10,000 to $12,000, down from $18,000 to $20,000 about four years ago. There has been a female to male ratio of 3:4. Roughly half of the participants have continued their education beyond high school.

"One disadvantage of our project is that the funding sources begin and end in June. If it starts in June, you've missed a planting season if someone wants to grow a specific product. Also, farmers are frequently not available in the summer, so we can't do much in June, July, and August. Ideally, the program should begin in January."

"The joint county economic development council looks at the whole economic picture, and it works out great. I wish more communities would do it. Also, a number of bankers are involved. If I weren't on the council, I don't think I would get names from them."

"On our own farm we have sold all of our potato and part of our cabbage crop to a processor. They are ecstatic and so are we because we don't have to store it or market it ourselves. And we also received the same dollar value."

"We do feel we need three years of funding instead of year by year. Small businesses don't start, develop, and show results in one year. Our State Department of Agriculture is working to get a three-year, $150,000 program to be shared by two Wisconsin vo-tech colleges."

## Funding

In 1987, the RED program was funded through a matching JTPA 8 percent title. In 1988, the program was offered a JTPA 8 percent grant plus a matching Vocational Education Act (VEA) grant that allowed Blackhawk Tech to determine who was eligible for the program. Blackhawk Tech contributes all the match for the two grants, including about $30,000 from the general fund plus $50,000 in in-kind match (tuition, office space, equipment, materials, etc.). Area agribusinesses contributed over $4,300 to the 1987 program.

## Linkages

RED staff actively refer ineligible applicants to other agencies who can assist them, including the Rock County and the Green County PICs, Southwest PIC, social service and mental health agencies, and the Rock and Green County ministries. Families who must leave farming are encouraged to visit with Rock County Reemployment offices. Assistance is also available from the Wisconsin Department of Agriculture. Through linkage with these and other agencies, RED has been able to provide a variety of indirect services to individuals and their families.

The RED coordinator is a member of the Rock and Green County Economic Development Council. The council meets monthly and has 26 members, including representatives of all area chambers of commerce. Information is shared on the region's economy overall.

The RED is hoping to build closer linkages with area food processing companies. An Alternative Agriculture Conference is being sponsored by Blackhawk Tech in February 1989. Some area food processing companies will be represented. It is hoped that farmers attending the conference will contract with some of these companies for specific new crops, primarily canning crops.

## Contact

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or
Mr. Roger Broege, Rural Development Specialist
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Materials available include a program brochure, newspaper clippings, and an evaluation report on the program's 1987-1988 year.

# SECTION 2

## STATEWIDE COMMUNITY COLLEGE-BASED RURAL ECONOMIC DEVELOPMENT INITIATIVES

## STATEWIDE COMMUNITY COLLEGE-BASED RURAL ECONOMIC DEVELOPMENT INITIATIVES

Each year the Council of State Governments analyzes governors' State of the State messages for critical issues. During the 1980s economic development has been consistently a major issue. The National Council of State Legislatures finds economic development also preoccupies the attention of state legislators. From advisory panels to major state administrative reorganizations, economic development has been the source of much of the state government activity in the past few years.

### Why States Turn to Community Colleges

Community colleges are being considered for economic development vehicles because they are local, have ties with the business and industry community, are flexible and responsive to local needs, and are respected and neutral community institutions. John Cleveland, Director of the Michigan Modernization Service, summed it up when he said, "They are closer to those clients (industry) than the state (government) will ever be." Dory Briles, Director of the Iowa Industrial New Jobs Program, also describes the unique qualities of community colleges: "Community colleges are wonderful institutions; they're real! Community colleges are local and are in touch with industry and the people." In nearly all of the in-depth interviews conducted, state officials mentioned that community college localness and ties with business made them especially effective or appropriate for economic development programs.

Among these characteristics, localness is what makes community colleges so valuable to ensuring that statewide initiatives reach rural areas. Community colleges are among the most dispersed of the postsecondary education institutions, making their choice as a delivery mechanism for economic development initiatives valuable in terms of sheer access. More important, however, community colleges have the perspective from which to ensure that programs are appropriate. Rural communities differ from one another almost as much as they differ from urban communities. Given a program authority that is relatively broad, community colleges are more likely to adapt the program to fit the needs of the locality, increasing the probability that it will have a real impact.

As providers of technical, vocational, and occupational education, community colleges have in many states achieved a successful record of working with business and industry. This record, coupled with their mission to serve the community, has encouraged two-year colleges to aggressively pursue economic development activities. In addition, federal job training programs like the Job Training Partnership Act have provided further motivation to become involved in economic development through customized contract training for new and expanding industry. These factors have led to the creation of several innovative community college-based or related economic development programs.

Types of Involvement by Community Colleges

Community colleges can and do provide a number of economic development services and programs. They range from direct involvement in the creation of new firms to targeting traditional courses to the job market. Particularly in rural areas, community colleges have been involved in all phases of economic development including being the lead economic development organization. However, when it comes to state economic development programs, community colleges have been seen primarily only as providers of technical/occupational training that can be packaged into customized training programs offered free to firms that will locate or expand in the state. Of the 19 statewide programs initially examined in this study, 7 were strictly customized training programs and 5 programs had significant customized training elements.

The customized training focus of state policy is not surprising, given the fact that community colleges are educational institutions. Plus, states like North Carolina and South Carolina which have had industrial attraction success in the past were quick to credit their success to the state-provided job training performed by the community colleges. Their success encouraged other states to adopt similar programs.

Among the other types of statewide community college-based economic development programs are:

- Technology transfer.
- Small business development, training, and consultation.
- Economic development training, planning, coordination, and analysis.

For MRI's research, the programs that were examined were the following.

1. The California Employment Training Panel: This program is unique in its method of raising funds for training. The California legislature reduced the unemployment insurance tax and then created a new tax to fund the California Employment Training Panel. The Panel's purpose is to establish an employment training program to foster job creation, minimize employers' unemployment costs, and meet employers' needs for skilled workers by providing skills training to unemployment insurance claimants. Training is provided by a variety of vendors with community colleges being a primary source. The unique funding mechanism may be one way states with limited budgets can develop their human resources.

2. The Colorado FIRST Program: This is a customized training program that provides start-up and expansion training. The program is operated solely by the Colorado Community College and Occupational Education System. The Colorado Training Network provides a one-stop shop for businesses to get training assistance.

3. The Florida Sunshine State Skills Corporation: This program provides funding for community college/business training partnerships. Businesses match the grants by 50 percent or more. Rural colleges have created consortiums of small rural firms to create training partnerships.

4. The Illinois Offices of Economic or Business Development: The state provides nearly $3 million annually to establish offices of economic development or business development on each of the 39 community college campuses. The offices coordinate customized training activities; provide business assistance, training, and counseling; and provide local economic development leadership. The state support assists the colleges to create strong economic development programs like incubators and labor-management councils. There is a formal association, the Illinois Community College Economic Development Association, that provides professional development opportunities to community college economic development staff and assists community college economic development efforts.

5. The Iowa Industrial New Jobs Training Program: This is one of the newer state-customized training programs. The program authorizes community colleges to issue financial certificates (bonds) to provide the funding for customized training to new or expanding Iowa manufacturing firms. This unique financing system allows for great flexibility in meeting training needs. The certificates are retired through either a property tax increment of the new factory property or through a payroll tax surcharge on the new employees. Rural areas have combined customized training projects to gain sufficient dollar amounts to market their training certificates.

6. The Iowa Satellite Center System: This innovative program establishes satellite centers of the Iowa Department of Economic Development into Iowa's 16 merged school districts. Thirteen of the 16 centers are part of community college campuses. The satellite centers serve as marketing tools for Iowa's manufactured products in both international and Iowa markets. Through a computerized network, businesses can develop trade leads, locate Iowa suppliers, and list their own products and services. The centers also provide economic data and serve as training centers for economic development. Each of the 16 centers is guided by a Regional Coordinating Council that develops yearly economic development plans for its region and coordinates efforts of regional economic development organizations.

7. The Iowa FARM/CAP: FARM/CAP is a program designed to assist farmers, ag-related workers, and their spouses to determine their career options in a troubled economy. A Career Planning Workshop helps participants discover career and life options based on an assessment of their interests, skills, abilities, experience, and values. A Job Search Assistance Workshop builds on the Career Planning Workshop to develop effective job search, resume and cover letter preparation, and interviewing skills.

8. The Michigan Modernization Service: This program provides manufacturing consultation and assistance to Michigan's small and medium-sized (1-500 employees) manufacturing firms. Community colleges are involved in this effort to provide work force training.

9. The Nebraska Ag Action Centers: When the farm crisis hit Nebraska, community colleges were found to be the best location for farmers to seek farm and career assistance.

10. Ohio EnterpriseOhio: This is a network of the community colleges' economic development programs and activities administered by the Ohio Board of Regents. It assists in setting direction of economic development programs, training community college economic development staff, and coordinating resources and programs.

11. The Ohio Technology Transfer Organization: Operating like the Cooperative Extension Service, 24 OTTO agents hired by community colleges provide technology transfer services to Ohio's businesses.

12. The Ohio Thomas A. Edison Institutes: The Thomas Edison Institutes act as technology incubators that perform basic research plus applied research for business and industry sponsors and provide scientific training and technical education. The technology is transferred to industry either through direct requests or from special projects that individual or business groups contract for research. The Ohio Technology Transfer Organization (OTTO) with agents based at 28 community colleges provides the chief mechanism for direct requests.

13. The Ohio Academic Challenge and Productivity Improvement Challenge Programs: The Academic Challenge Program and Productivity Improvement Challenge Program have allowed community colleges to develop strong training and technology ties to local firms. In particular, the Productivity Improvement Challenge Program is being used to build the infrastructure of EnterpriseOhio so that community colleges can build and share their economic development resources.

14. The Oregon Small Business Development Network: Oregon was the first state to operate the SBA small business development centers exclusively on community college campuses.

15. Washington Partnership for Rural Improvement: Developed with a W. K. Kellogg Foundation grant, this program brings Washington State University and the state's community colleges into partnership for rural development.

In addition, there were four programs that were identified but not included in the Appendix profiles. These programs were:

- The Arkansas Science & Technology Authority: The Authority is not a community college program. However, the Authority has funded one community college grant request, for the North Arkansas Incubator System at Northeast Arkansas Community College. It is an incubator without walls and draws upon the large number of professional retirees in the area to provide business assistance.

- The Florida High Technology and Industry Council: The Council provides guidance and financial assistance in developing Florida's high technology industry. Recently the Council provided funds to the state's community colleges and vocational schools to develop state-of-the-art electronic technician training programs. It is an example of targeted industry assistance that may be applicable to some rural economic development strategies. However, the Council has no specific ties with community colleges.

- The Mississippi Community and Junior Colleges Economic Development Foundation: The Foundation is designed to encourage and assist college involvement in economic development. It is an example of how community colleges can build formal networks to aid in their economic development efforts. The program is still in its early stages, however, and a profile could not be completed.

- The North Carolina New Industry Start-Up Program: This was the granddaddy of community college-based economic development. Since the 1950s the state has been providing customized training to new and expanding firms with the philosophy being, "If you locate your plant in North Carolina, we'll make sure you have a trained work force." However, since customized training was not the focus of the profiles, this program was not included.

## Policy Implications for Future Statewide Initiatives

Adapting to Rural Needs: State policymaking seldom makes explicit distinctions between the rural and urban areas of the state. Vigilance on the part of urban and rural legislators that their piece of the state have the opportunity to share in any program decreases the probability that policies that distinguish between rural and urban areas will be adopted. In fact, some states are limited constitutionally in their ability to geographically target legislation. Even when there are clear and valid reasons for policies that do distinguish between rural and urban areas, there are seldom any efforts to tailor policies to special rural/urban needs.

Policy related to economic development is no exception. Of the 19 statewide programs examined, only 3 were explicitly designed to serve rural areas. Two of these, the FARM/CAP Program and Ag Action Centers, responded to the economic downturn in farming, while the third addressed the broader issue of rural community development. None of the three were initiated by state legislators, but rather by agency officials using their program flexibility to respond to pressing rural needs. Officials did note, however, that selecting community colleges as a resource by which to implement economic development initiatives helped target programs to rural areas. Of the various educational institutions involved in economic development, community colleges are the most dispersed.

Rural/Urban Differences: Although states seldom make rural/urban distinctions in economic development policies, differences in program administration and implementation are frequently experienced. Seven of the states, including Colorado, Florida, Illinois, Iowa, Nebraska, Ohio, and Washington, reported differences in rural and urban economic development and hence in how programs could be implemented. Bob Turner of the Colorado College and Occupational Education System summed it up:

> "There is a big difference, and as a matter of fact the mayors, the commissioners, and the presidents of our colleges keep pointing out to us that this is rural Colorado, this is different than the Front Range, and that we have different requirements, different concerns than the urban areas do."

Differences in program implementation arise from the different resources, the different role rural community colleges take on in local economic development ventures, and size of scale.

1. Resource Base: A significant problem for most rural community colleges is the smaller revenue base on which they operate and consequently the fewer dollars available to support economic development activities. Most state initiatives require at least some up-front and often ongoing financing by the community college. Ohio noted that campuses serving a manufacturing population often had better economic development resources than rural campuses. Illinois found that the demand for customized training was so high in urban areas that urban community colleges could often operate Offices of Business or Economic Development at a profit, while their rural counterparts struggled to scrape together tax dollars to maintain similar efforts. The Illinois Community College Board provides economic development grants ranging from $30,000 to $65,000 to each of its 39 campuses. Most rural campuses need the funds to help maintain their economic development offices while urban campuses use the funds to expand programming efforts and assistance.

2. Expanded Role for Rural Community Colleges: Along with the more limited resource base, rural community colleges are called upon to play a much larger role in local economic development. Urban areas tend to have some structure to their economic development efforts, since chambers of commerce, economic development corporations, or city governments with economic development staff provide the needed leadership. Few of these resources exist in rural areas, so the local community college is often called upon to provide the leadership for economic development efforts. As Lynn Tolle Burger of the Illinois Community College Board noted:

> "A lot of times a rural college will play a stronger role in helping organize local economic development efforts. More frequently, it's the rural areas that don't have a major economic development corporation or an organized effort. The community college can step in and play that role. In an urban area the college is more likely to be a team player, because a lot of the efforts have been going on a long time. They try to fit into the picture; they find a niche."

3. Size of Scale: Differences in resource base are ultimately tied to differences in population. But size of scale emerges as yet a broader issue in customized training programs. Projects serve several hundred workers each in urban areas but average less than a hundred in rural areas. Given the emphasis on customized training in many statewide programs, these differences in scale can make it difficult for rural community colleges to participate. Two examples, one in Iowa and a second in Florida, illustrate the problem.

   The Iowa New Jobs Industrial Training and Small Business Training Program authorizes community colleges to issue tax-exempt training certificates to finance customized training projects with new and expanding firms. Colleges in larger urbanized communities have no problem finding or

encouraging new or expanding firms to participate in the training. Training can involve hundreds of workers, cost several hundred thousands of dollars, and consequently allow the college to package training certificates large enough to sell in financial markets.

The statewide program is attractive to rural areas, since rural community colleges can also identify new and expanding firms to participate. But because the number of employees per business typically number fewer than a hundred, many of the projects are too small to offer marketable training certificates. Two Iowa colleges found a way around the problem by collaborating with one another to issue training certificates for combined projects.

In Florida, the Sunshine State Skills Program provides training funds to community college/business training partnerships. The state offers grants to firms willing to match the state funds by 50 percent or better in either money or in-kind contributions. Smaller rural firms, often having just a few employees to train, found they did not have the resources to meet the required match. Again, enterprising businesses found a way around the problem. Rural businesses formed consortia enabling them to pool their resources to match the training grant. The result, in the words of Don Magruder of the Florida Board of Community Colleges:

> "There are many of these organizations that are now involved, particularly in the rural areas, in training programs, and businesses that weren't the least bit interested suddenly found the need for it and could see the value of instituting training programs for their employees."

While the adaptations made by the colleges in Iowa and the businesses in Florida are to be commended, the issue of size of scale remains a concern in the design of statewide programs to involve community colleges in local economic development efforts. Programs that are appropriate to urban settings may not transfer to rural settings, and policymakers must be alert to the differences illustrated by these examples. Suggesting strategies to overcome size of scale problems or inviting rural involvement in the design of the program to begin with is certainly important to ensuring that statewide programs are accessible by rural community colleges.

## Unresolved Issues

Several themes expressed in the literature were echoed in the interviews conducted with state officials and community college leaders. These themes capture some of the major issues raised by both the difficulties and serendipitous success met as statewide programs were implemented in rural areas.

Dilemma Between Academic and Community Responsibilities: Growing involvement in economic development activities has rekindled old conflicts, since five of the administrators interviewed mentioned some division between academic and economic development perspectives. Those who see community colleges as

academic transfer institutions express concern over the resources being diverted from the classroom to economic development activities. Others, who see community colleges as educational resources designed to respond to and serve community needs, argue that economic development is their community's most pressing need. This is an important issue for states as well as community colleges to clarify, since the needs of state coordinating bodies may begin to conflict with those of state economic development agencies.

In many respects this conflict is more pronounced in rural areas. Larger population bases are able to support a more diverse mission, as evidenced by the customized training programs that generate a profit in urban areas. Lower enrollments in rural community colleges make the task more difficult. In addition, support of postsecondary education has often meant educating people to leave rural areas, since the more specialized skills acquired through more education seemed less suited to the more generalized needs of a rural culture. Efforts to promote academic goals are more likely to conflict with efforts to respond to community needs.

In reality, the two roles ought not to conflict. The nearly universal call for employees with better thinking and problem-solving skills draws many training goals into harmony with academic goals. Training programs that are too narrowly defined risk obsolescence in today's rapidly changing economy. Educational institutions who ignore the more pragmatic goals of adult learners risk obsolescence in the changing demographics of postsecondary education enrollments. States should encourage a balance of the two roles, encouraging community colleges to take advantage of the academic resources they have in their faculties and the close connections that exist with their communities to explore new strategies for pursuing academic goals.

Rural/Urban Differences: Although policymakers tend not to consider differences in rural and urban economic development when designing programs, agency administrators and community college representatives see real differences in implementation. A smaller resource base, coupled with a larger role in local economic development efforts, means that the dollars made available to rural community colleges must stretch much farther than in urban areas. In addition, the smaller scale of programs implemented in a rural setting can pose potential barriers to rural college participation. As discussed earlier, creative colleges and businesses have developed strategies by which to overcome some of these problems. To the extent possible, however, state agencies need to not leave such issues to chance.

Of the differences identified in this study, the more extended planning role and differences in size of scale could be addressed in statewide program planning. Programs could provide funds to support a planning/coordinating function in communities where none exist, enabling rural community colleges to apply for support of their more extended role. Programs could examine size of scale issues in the design process or aggressively disseminate strategies by which rural community colleges can overcome size of scale problems. In general, state agencies need to constantly examine the impact of their programs and the extent to which their program designs are enabling rural participations.

New Respect/Role for Education: Economic development activities, especially customized training, are gaining new respect for community colleges among community leaders and businesses. In varying degrees of emphasis, program administrators repeatedly mention this outcome, with six of them identifying it as a primary achievement of their program.

This theme is accompanied by a general sense that business and industry are considering training as an important and ongoing part of their business activities. Some predict that contract-customized training will expand greatly over the next few years, especially if state programs continue to offer financial incentives for companies to try customized training. Once companies try training and see their work force become more productive, they return for more. In addition, rapidly changing technology is simply causing constant change in the skills needed for work.

State program administrators see state policy encouraging more and more involvement in economic development. Eight of the administrators predicted that their states would expand the role of colleges in economic development, mentioning activities that ranged from more training programs to small business development centers to technology transfer. Many administrators saw an expanded role for community colleges also coming from individual college/business partnerships. As colleges work with firms on training, discussions quite naturally shift to what else the college can do for the firm.

These predictions raise an important issue to be addressed if rural communities are to be incorporated into a stronger rural future. Much of what states are encouraging through customized training is business-education partnerships from which a community benefits through local economic growth. Rural communities do not necessarily have businesses of sufficient size and quantity to justify this as the only strategy by which to pursue local economic growth. In fact, research suggests a broader strategy is indicated in which entrepreneurship, diversified agricultural products, tourism, and import substitution play as large a role as industrial recruitment or existing industry expansion. Partnerships between educational institutions and communities may be more productive with this diversified strategy rather than the customized training approach that focuses on only one component of economic development. States might consider programs that support this broader approach to economic development, focusing on the larger role community colleges can play in local economic development.

# A P P E N D I X

APPENDIX A

STATEWIDE COMMUNITY COLLEGE ECONOMIC DEVELOPMENT PROGRAMS

**STATE:** California
**PROGRAM:** Employment Training Panel
**TYPE:** Customized training
**FUNDING:** $61,437,000--1986-1987
**INNOVATION:** Use of unemployment insurance to fund program
**SUCCESS:** The unemployment time dropped by 50 percent for those trained, and income increased by 27 percent, from an average of $21,408 to $27,147 in FY'87.
**RURALNESS:** Statewide, $3 million were spent on seasonal farm workers in FY'87.

The purpose of the program is to establish employment training to foster job creation, minimize employers' unemployment costs, and meet employers' needs for skilled workers. The program accomplishes this by providing skills training to unemployment insurance claimants, those who have exhausted their unemployment insurance but who have remained unemployed, and potentially displaced workers who would otherwise become unemployment insurance claimants. The program uses a small portion of employer taxes to put unemployment insurance recipients to work by encouraging employers to locate and expand facilities in the state and by training unemployment insurance recipients in skills needed by employers. The California legislature reduced the unemployment insurance tax by about $55 million and substituted a new tax to fund the Employment Training Panel. Training is conducted primarily through California's community and technical colleges.

Although predominantly oriented toward urban occupations, several training programs have been established for seasonal farm workers. Examples include:

- The Yuba Valley Farm Workers Program, wherein 44 persons were given year-round agricultural skills.
- The SDE/Clovis Agricultural Technician Program, wherein 46 seasonal workers were retrained in agricultural machine maintenance, pesticides management, and communications for year-round work.
- The Grimmway Farms Program, wherein 99 farm workers are being trained in agribusiness skills such as machine operation, quality control, and microprocessing for a 4,000-acre carrot farm in Kern County.
- The IECC Frozen Food Technicians Project, wherein 47 seasonal workers were trained for off-season work in four food processing plants in Santa Cruz County.

**CONTACT:** Steve Duscha, Executive Director, Employment Training Panel, P.O. Box 942880, Sacramento, California 94280-0001, 916-445-8008

**STATE:** Colorado
**PROGRAM:** Colorado FIRST Customized Training Program
**TYPE:** Customized training
**FUNDING:** $627,642--1987
**INNOVATION:** All training is conducted or coordinated by the community colleges and technical schools.
**SUCCESS:** There were 4,000 people trained in 1987 with an average wage of $9.59/hour. There were 33 companies that participated in the program in 1987.
**RURALNESS:** Statewide, 22 of the 33 training programs in FY'87 were in rural communities.

This program was created as a demonstration project in 1979 and made a formal statewide program in 1984. The program idea came primarily from other states that were using training to shift the agrarian work force to a manufacturing work force in order to attract industry. Presently the purpose of the program is to encourage quality economic development by providing training assistance as an incentive for the location of new firms or the expansion of existing companies. The program is jointly administered by the Colorado Community College and Occupational Education System (CCCOES) and the Office of Economic Development. Virtually all training is conducted by the community colleges and vocational centers.

The program has assisted companies in Grand Junction, Delta, Montrose, Austin, Eaton, Pueblo West, Fort Lupton, Fort Collins, Steamboat Springs, Lamar, Yuma, and Franktown. A majority of assisted communities have been in rural areas. The CCCOES recognizes there is a big difference in rural and urban economic development, although administratively there is no distinction.

Preference is given to projects in depressed areas that pay above the minimum wage. In Colorado, such areas tend to be rural. People trained during the 1987 calendar year had a 96 percent placement rate and earned an average wage of $9.59/hour. In 1987, 1,685 workers were trained at an average cost of $372 per trainee. Colorado administrators feel that the number of new jobs with high wage rates more than pays for Colorado FIRST through personal and sales taxes.

The program is one component of the Colorado Training Network, or CTN. The CTN is composed of the Colorado Community College and Occupational Education System, the Colorado FIRST Customized Training Program, the Governor's Office of Economic Development, the Colorado Department of Local Affairs, the Governor's Job Training Office, the Colorado Department of Labor and Employment, the Office of Rural Job Training, and the local Private Industry Councils. The purpose of CTN is to encourage cooperation in the packaging of state-supported training programs and to use these packages as incentives to encourage businesses and industries to locate or expand their operations in Colorado. With expressed objectives of cooperation and elimination of bureaucratic turf battles, the CTN has enhanced Colorado's competitiveness in the economic development arena.

**CONTACT:** E. Robert Turner, Director of Business, Industry, and Community Relations, Colorado Community College and Occupational Education System, 1391 North Speer Boulevard, Suite 600, Denver, Colorado 80204-2554, 303-620-4000

**STATE:** Florida
**PROGRAM:** Sunshine State Skills Program
**TYPE:** Customized training
**FUNDING:** $3 million
**INNOVATION:** Encourages skills training by providing matching funds to firms.
**SUCCESS:** The program has created partnerships between community colleges and businesses.
**RURALNESS:** Statewide, community colleges have adapted to make the program work in rural areas and with small businesses.

The Florida Sunshine State Skills Program was designed to bring community colleges together with employers with training needs for employees in new, expanding, or diversifying businesses. The Skills Program was initiated because of the success of the Bay State Skills Corporation in Boston. The program provides training funds to colleges for approved training partnerships between the community college and individual or consortiums of businesses. The funds must be matched at least 50 percent by the businesses with either money or in-kind materials or services; most projects have a greater than 50 percent match.

In rural areas where firms tend to be smaller it has been difficult to put together training projects. The small firms often lack the funds necessary to match the training grant. As a result, industries composed of small firms have started to form consortiums to provide both the funding and the number of trainees necessary for a training project. One example is a consortium of machine shops that worked with one rural college to provide trained machinists in the rural area.

**CONTACT:** Don Magruder, State Board of Community Colleges, Knott Building, Department of Education, Tallahassee, Florida 32399, 904-488-1721

**STATE:** Illinois
**PROGRAM:** Business Assistance Centers and Economic Development Office Grants
**TYPE:** Economic development, economic attraction, and retention programs
**FUNDING:** $2,934,000--FY'88
**INNOVATION:** Specific state policy to involve public community colleges in economic development.
**SUCCESS:** The program created and retained 21,815 jobs in 1987.
**RURALNESS:** Statewide

The cornerstone of Illinois community colleges' involvement in economic development is a network of the business centers/economic development offices operated by each of Illinois' 30 community college districts. The mission of the centers is to provide training and services to commerce and industry and assist with local economic development efforts. In Illinois, community colleges serve as an integral part of the state's economic development efforts as key partners with government, labor, and business. They not only train people for jobs but also create and retain jobs. The program is operated by the Illinois Community College Board.

Colleges each receive a flat appropriation of $30,000 plus a formula allocation based on enrolled students in occupational and technical courses. Grants range from $43,000 to $350,000 with a median of $65,000. The program was established through the Illinois Public Community College Act.

Community college economic development activity includes customized job training; small business incubators; small business/entrepreneurship services; industrial attraction, retention, and expansion assistance; contract procurement assistance; training and job search services; and other miscellaneous activities including labor-management councils and advanced technology centers.

**CONTACT:** Lynn Tolle Burger, Economic Development Director, Illinois Community College Board, 509 South Sixth Street, Room 400, Springfield, Illinois 62701-1874, 217-785-0139

**STATE:** Iowa
**PROGRAM:** Industrial New Jobs Training Program
**TYPE:** Customized training
**FUNDING:** Program funds are provided through the sale of tax-exempt certificates and repaid over 10 years by diversion of increased property taxes from the industry or withholding taxes from new employees' payrolls.
**INNOVATION:** Unique funding of customized training and use of community colleges as exclusive trainers or coordinators.
**SUCCESS:** There have been 19,340 new jobs with 240 companies as of 1988.
**RURALNESS:** Statewide, Iowa is a rural state. Over half of the projects have been in communities of fewer than 10,000 people.

In 1983, the Iowa legislature created the Iowa New Jobs Training Program. The community colleges were selected as the training providers because they already had in place an effective substate training delivery system. The program was designed to be part of a package of resources to help firms lower the costs of expanding their work force or locating a new facility in the state. The program is for all firms that produce products or provide services in interstate commerce. Retail businesses and health and professional service businesses do not qualify.

Employment services include skill assessment, orientation, preemployment training, instructional salaries, seminar fees, and travel expenses. On-the-job training subsidies can cover up to 50 percent of the wages and fringe benefits for up to one year.

Funding for the program is provided through a unique mechanism that allows the colleges to sell tax-exempt training certificates (bonds) for specific training projects with new and expanding firms. The bonds are retired in 10 years with additional (tax increment) property tax revenues resulting from the new industrial property or expansion. The certificates can also be retired with revenues from a portion of the new employees' state withholding taxes. Proceeds from the sale of the certificates go into training with up to 13.43 percent used for administration by the colleges and 1 percent for state administration.

Up to $18 million in training certificates can be issued in a calendar year. There is a $100 million cap on aggregate outstanding tax-exempt certificates for the state. As of spring 1989, $78.4 million in certificates had been issued, of which $70.8 million was in tax-exempt certificates.

Rural colleges have had difficulties in putting together projects large enough to issue a training certificate. Expansions and new firms in rural areas typically employed 25 to 50 people. Therefore, rural colleges have adapted by packaging projects together and doing multiple issuances to achieve the dollar amount sufficient to have a marketable certificate.

**CONTACT:** Dory L. Briles, Bureau Chief, Iowa Department of Economic Development, 200 East Grand Avenue, Des Moines, Iowa 50309, 515-281-3600

**STATE:** Iowa
**PROGRAM:** Satellite Center System, Economic Development Network
**TYPE:** Market leads and information plus economic development training, leadership, and assistance.
**FUNDING:** $30,000 for 16 centers.
**INNOVATION:** Use of community colleges as a statewide economic development tool.
**SUCCESS:** Too early to say.
**RURALNESS:** Statewide, the system was established to put information in the hands of people who do not have it. Often, these are rural businesses.

The Network was established to serve a twofold mission: to find national and international markets for Iowa-produced goods and services, and to encourage Iowa businesses to trade with each other rather than out-of-state suppliers when price, quality, and service are comparable. The Iowa Department of Economic Development (IDED) has targeted a 10 percent increase in Iowa exports by 1990.

The Network's system is composed of a Primary Research and Marketing Center, located at the IDED, and 16 satellite centers. The centers are connected to IDED by a computer network that electronically sends information to the satellites. The computer network maintains a data base of Iowa manufacturers and international trade leads as well as general social and economic data.

The "Buy Iowa" program is promoted by the Network, and Iowa businesses are encouraged to use the computer data base to locate Iowa suppliers and customers. Firms are also encouraged to use the system to find national and international markets for their goods and services. The IDED provides additional assistance in evaluating leads and overcoming problems associated with international trade.

The satellite centers of the Economic Development Network also provide assistance to business and industry and serve as training institutes for economic development in their regions. The centers are overseen by Regional Coordinating Councils (RCCs) made up of regional leaders. The councils must prepare a yearly economic development plan for the region to qualify for the funding of their satellite center. The RCCs select the organization that

houses the satellite centers; out of the 16 centers, 13 are located on community college campuses. Community colleges were picked because specifications (equipment, facilities, staff support, etc.) established by IDED for the centers made community colleges one of the few organizations that could meet the requirements, especially in rural regions. And, Iowa's community colleges are known for their aggressiveness in economic development and worked hard with the RCCs on the selection of center locations. The other three satellite centers are based at Regional Planning Commissions and Councils of Government.

**CONTACT:** Don Murray, Iowa Economic Development Network Coordinator, Iowa Department of Economic Development, 200 East Grand Avenue, Des Moines, Iowa 50309, 515-281-7259

**STATE:** Iowa
**PROGRAM:** FARM/CAP (Career Assessment Program)
**TYPE:** Job training, career planning, ag crisis counseling
**FUNDING:** $160,000 plus
**INNOVATION:** Community college response to agricultural crisis
**SUCCESS:** In FY'87, 65 percent of the 300 participants found employment.
**RURALNESS:** Targeted at rural Iowa

Various farm crisis assistance programs are operated at nine community college campuses in Iowa. The programs range from simple career planning assistance to diversified agriculture programs. FARM/CAP is an early example of farm crisis counseling, career planning, and job training, all rolled into one program as developed by the Des Moines Area Community College in 1986. Initial efforts responded to farmers who had lost their farms but quickly gave way to broader efforts that addressed the needs of farmers who were sill farming. The core of the program was a 20-hour career assessment study program and a 20-hour job search and assistance program that was conducted in cooperation with Job Service of Iowa staff under a $75,000 corporate foundation grant. The program was adopted by other community colleges, additions were made, and JTPA funding was obtained. Examples include:

- Iowa Western Community College's Family and Farm Financial Management Training Program.
- Southwestern Community College's link with Extension's ASSIST program and Job Service.
- The Agricultural Planning and Development Program, which coordinates regional economic development efforts by Southwestern Community College.
- Kirkwood Community College's Rural Diversified Enterprise Center.

**CONTACT:** Clyde Kramer, Vice President, Economic Development Group, Des Moines Area Community College, 2006 South Ankeny Boulevard, Ankeny, Iowa 50021, 515-964-6447

**STATE:** Michigan
**PROGRAM:** Michigan Modernization Service-Work Force Development Service
**TYPE:** Customized training, technology transfer, business development and expansion
**FUNDING:** $2.8 million base plus grants and support from community colleges
**INNOVATION:** Use of community college staff to staff the Work Force Development Service
**SUCCESS:** No data, but community colleges are shifting toward building the competitiveness of small to medium-sized manufacturers as compared to trying to attract new industry.
**RURALNESS:** Statewide, the program focuses on small and medium-sized businesses, i.e., those with fewer than 500 employees.

The Michigan Modernization Service (MMS) was created to help Michigan's small and medium-sized manufacturing companies be more competitive and to modernize, i.e., to analyze their operations, upgrade their technologies, retrain their workers, and expand their markets.

The MMS is composed of six programs:

- Technology Deployment Service for production process technology transfer.
- Office for New Enterprise Services for entrepreneur consultation and financial assistance.
- Work Force Development Service for development of human resources and job/skill training.
- Research and Analysis Program for in-house data analysis and forecasting.
- Marketing Development Service for development of national and international export markets.
- Educational Services Program for coordination of conferences, seminars, workshops, and educational materials.

The Work Force Development Service (WFDS) contracts with community colleges to provide field staff. The WFDS provides customized training services, labor-management cooperation services, and development of training resources and capacity. Five of the eight field staff are housed on community college campuses. Virtually all training is provided or coordinated by the state's community colleges.

Michigan has developed the Customized Training Institute (CTI) to increase community college staff capacity for developing, marketing, and delivering customized training services. The CTI is a joint venture of the MMS, the Michigan Community College Association, the State Department of Education, and the Industrial Technology Institute (ITI). The ITI is an independent organization that develops and deploys integrated manufacturing techniques and has a joint venture relationship with MMS. The ITI has a Community College

Liaison Office designed to build relations between ITI and the community college system. The community colleges are currently heavily involved in an ITI project to develop computer-integrated manufacturing training products.

**CONTACT:** John Cleveland, Director, Michigan Modernization Service, Room 212, Hollister Building, 106 West Allegan, Lansing, Michigan 48913, 517-373-7411

**STATE:** Nebraska
**PROGRAM:** Ag Action Centers
**TYPE:** Training and employment for dislocated farmers
**FUNDING:** $1,000,000 in FY'87
**INNOVATION:** Use of community colleges as service deliverer
**SUCCESS:** There were 543 farmers placed in new careers, and communities are working to develop their economies.
**RURALNESS:** Targeted at rural Nebraska

The Nebraska Department of Labor's Job Training of Greater Nebraska, the state JTPA agency, instituted the Agriculture in Transition program through six Ag Action Centers located on community college campuses. The centers are designed to help farmers, ag-related workers, and their family members look at options and come to their own conclusions about their future in agriculture, before being forced out. The centers help farmers seeking to improve their farming operation as well as those investigating an alternative career. The community colleges were selected because it was felt that farmers would feel comfortable going to centers there.

The Agriculture in Transition program has a three-pronged approach to the agriculture crisis: (1) serving distressed farmers to keep them in agriculture, (2) serving dislocated farmers to find new careers, and (3) serving communities in need of community economic development help. The program has developed an economic development training video called *It's Your Business*. It has provided entrepreneur training through the Department of Economic Development, including $90,000 in matching grants to communities for market analysis, brochures, etc. And it has funded an economic development position to promote JTPA as an economic development tool.

**CONTACT:** David T. Anderson, Coordinator, Ag in Transition Program, 941 O Street, Fifth Floor, Lincoln, Nebraska 68508, 402-471-3181

**STATE:** Ohio
**PROGRAM:** EnterpriseOhio
**TYPE:** Economic development coordination and leadership
**FUNDING:** $4.4 million
**INNOVATION:** Provides coordination and support at the state level for community college economic development activities.
**SUCCESS:** Too early
**RURALNESS:** Statewide

Responding to a Board of Regents 1986 challenge to meet the human resources and economic development needs of Ohio, the two-year schools, along with the Board of Regents, created EnterpriseOhio. The purpose of EnterpriseOhio is to

pledge the community colleges to (1) make themselves full partners in local efforts of economic development, (1) be flexible and responsive to adult learning related to employment, (3) develop contractual service capabilities for local business and industry, and (4) provide full cooperation with other local educational providers and economic development providers in their efforts toward economic revitalization. EnterpriseOhio is a network of the two-year schools and the Board of Regents. The Ohio Board of Regents has hired an EnterpriseOhio coordinator to facilitate the process.

Working primarily with funding from the Productivity Improvement Challenge Program, EnterpriseOhio has been building an infrastructure for accomplishing its objectives. Part of that infrastructure is ONet, an electronic information system that includes a training data base, faculty and staff information, and a calendar of campus events. ONet allows for instant written communication among the campuses including the ability to send entire documents.

One major function of EnterpriseOhio is to identify and study economic and human resource development issues. This policy direction helps campuses focus resources and coordinate development of educational materials and programs. Among the issues identified is the need to include credentialed or degree credit into customized training, veteran entrepreneurship programs, and dislocation of clerical workers because of automation and computers. Another recent issue is the role rural community colleges can play in agribusiness and agricultural exports. The Ohio Department of Development has asked to look into the area of agricultural development with the community colleges.

Another function of EnterpriseOhio is to upgrade skills and knowledge of campus faculty and staff. A Train-the-Trainer program has been established to keep faculty at the cutting edge of technology. Workshop training is also being provided to campus business and industry liaisons people in such areas as training assessment, training contract proposals, and pricing services. A formalized Statewide Assessment of Training Needs in the Manufacturing Sector is also being conducted. Working with small companies of 10 to 250 employees, campus liaison staff use the assessment instrument to collect information on training needs. This information is then analyzed to determine how to best meet the training needs of small manufacturers.

One measure of success of EnterpriseOhio and the state's community colleges' economic development efforts in general is the perception that the state now has of the community colleges as economic development players. The Ohio Department of Development now sees the community colleges as one of its strongest allies and the best resource for delivery of human resource development services throughout the state. The perception of the business community has also been turning around; corporations now are saying they would like to turn their training over to community college hands.

**CONTACT:** Kathy Faust, Director of EnterpriseOhio, Ohio Board of Regents, 3600 State Office Tower, 30 East Broad Street, Columbus, Ohio 43266-0417, 614-466-6000

**STATE:** Ohio
**PROGRAM:** Ohio Technology Transfer Organization
**TYPE:** Technology transfer
**FUNDING:** $1,746,000--1986
**INNOVATION:** Combining four-year colleges, the State Department of Development, and community colleges into a partnership to deliver technology to Ohio's industry.
**SUCCESS:** The program delivered a 12:1 return on the state's investment in 1986.
**RURALNESS:** Statewide, 98 percent of clients have fewer than 500 employees, and 74 percent have fewer than 20.

The Ohio Technology Transfer Organization (OTTO) is a network of 32 field agents working at 4 universities and 24 technical and community colleges in Ohio. These agents promote the economic development and welfare of Ohio by brokering technical information and expertise from Ohio's educational institutions, state and federal agencies and research facilities, and other public and private resources to Ohio business and industry. It was started in 1978 by the Ohio Board of Regents as an energy conservation technology transfer effort. The group soon found industry wanted more than energy technology. In 1983, OTTO moved to the Department of Development to integrate their activities into the state's economic development activities. OTTO contracts with the community colleges to hire an OTTO agent. The OTTO agent as a college employee represents both OTTO and the college.

The OTTO program has been enormously successful. During 1986 OTTO helped to create or retain 4,483 jobs. A total of 207 new businesses started in part because of OTTO consultation. In addition, companies reported the OTTO program resulted in $4,026,273 in cost avoidance, $2,233,276 in cost reduction, $8,098,858 in new product sales, and $5,972,543 in market expansion. The OTTO program had a 12:1 return on state investment in 1986. Among the benefits to the community colleges have been 92 client-student projects, 67 industry workshops with 4,586 participants, 9 college research projects, and 177 paid training programs. These activities are strengthening college and industry ties, providing business experience to students, and expanding the colleges' involvement in local economic growth.

The OTTO program represents an excellent model of technology transfer via community colleges. It relies upon the community colleges' localness and flexibility to respond on business and industry. Where an individual community college may be resource poor, it still succeeds because OTTO agents are not just part of the college but are part of the larger network of the Department of Development, the state's Edison Institutes, and the universities.

**CONTACT:** Jeff Schick, Statewide Coordinator, Ohio Technology Transfer Organization, 65 East State Street, Suite 200, Columbus, Ohio 43266-0101, 614-466-4286

**STATE:** Ohio
**PROGRAM:** Thomas A. Edison Institutes
**TYPE:** Technology development and transfer
**FUNDING:** $67 million
**INNOVATION:** Technology partnerships between academia and business that include community colleges.
**SUCCESS:** Each college participating attracted from $0.5 to $2 million from private businesses in 1987.
**RURALNESS:** Statewide, with all rural community colleges providing technology transfer through OTTO and one rural community college, Hocking Technical College, conducting research.

The Thomas Edison Institutes act as technology incubators that perform basic research plus applied research for business and industry sponsors and provide scientific training and technical education. The technology is transferred to industry either through direct requests or from special projects that individual or business groups contract for research.

The Ohio Technology Transfer Organization (OTTO) with agents based at 28 community colleges provides the chief mechanism for direct requests. The Thomas Edison program stimulates working partnerships between business and academia that generates new technological ideas, products, companies, and even industries, ultimately creating jobs and long-term economic growth.

Thus far, eight Edison Technology Centers have been funded with community colleges formally associated in the role of technology transfer. To date, Ohio's two-year colleges have been integrally involved with four of these centers. The four centers with direct community college participation are (1) Cleveland Advanced Manufacturing Program, (2) Edison Industrial Systems Center, (3) Edison Materials Technology Center, and (4) Institute of Advanced Manufacturing Sciences. Hocking Technical College will serve as a testing center for ceramic processes and materials for the Edison Materials Technology Center. Most often, the colleges develop and design training materials and programs for the new technologies and serve as a liaison to small and medium-sized businesses.

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**STATE:** Ohio
**PROGRAM:** Academic Challenge Program and Productivity Improvement Challenge Program
**TYPE:** Targeted funding for excellence in research, technology transfer, and training
**FUNDING:** $4.5 million for Productivity Challenge Program
**INNOVATION:** State aggressively targets and funds areas of technological and educational excellence including the community colleges.
**SUCCESS:** The program helped create EnterpriseOhio, including ONet and the Train-the-Trainer programs.
**RURALNESS:** Statewide

The Academic Challenge Program, based on the premise that quality is the principal criterion for success, reinforces existing areas of strength and develops others to meet demands of the future. In 1985-1987, 90 programs were selected for enhancement at two-year institutions. One-third (30) of these programs were in engineering technology and electronics. The stimulus provided through the Productivity Improvement Challenge program has enabled two-year colleges to assertively increase participation and strengthen retention rates and to forge stronger relationships with business and industry.

These programs are part of the Board of Regents' Selective Excellence program, which provides funding incentives to higher education institutions to stimulate the state's economic and human resource development through improvement in education. The Academic Challenge Program and Productivity Improvement Challenge Program have allowed community colleges to develop strong training and technology ties to local firms.

In particular, the Productivity Improvement Challenge Program is being used to build the infrastructure of EnterpriseOhio so that community colleges can build and share their economic development resources. This infrastructure includes ONet, a computer data base and communications network among the community colleges; and the Train-the-Trainer program, which keeps college faculty on the cutting edge of technology.

An example of the challenge grant is one provided to Ohio University's Ironton campus, a two-year school, to train employees of Ironton Iron Inc., a plant that reopened as an Employee Stock Ownership Plan buyout.

**CONTACT:** Kathy Faust, Director of EnterpriseOhio, Ohio Board of Regents, 3600 State Office Tower, 30 East Broad Street, Columbus, Ohio 43266-0417, 614-466-6000

**STATE:** Oregon
**PROGRAM:** Small Business Development (SBDC) Network
**TYPE:** SBDCs
**FUNDING:** $3,000,000 (estimate)
**INNOVATION:** The first state to operate SBDCs through community colleges
**SUCCESS:** The program assisted 7,100 existing and start-up businesses since 1983 and created 218 new businesses in the first year. Participating small businesses during 1985-1986 increased full-time employment by 69 percent.
**RURALNESS:** Statewide, including 17 rural centers, programs are tailored for the local area. Differences do exist between rural and urban campuses.

In 1983, the Oregon legislature realized the need to improve the economic base of the state and to help the small businesses in Oregon. Recognizing the success of the Lane Community College (LCC) approach, the 1983 Oregon legislature provided funding of $500,000 for the biennium and directed that a network of centers, modeled after the LCC center, be developed to offer small business training and assistance at community colleges throughout the state. The Oregon Small Business Center Network utilizes the U.S. Small Business Administration (SBA) program of SBDCs and receives $350,000 in matching funds.

The key to success of the small business community is the ability to adapt and change with the environment. To be effective in accomplishing this goal, the small business community must have access to current information, training, resources, and services. Providing comprehensive services and resources to the small business community has become the mission of the Oregon Small Business Development Center Network.

The SBDCs provide training (workshops, seminars, etc.), counseling, information resources, and referral services. The Network has created the International Trade Program and produced several training publications. Specialized services include farm management programs, incubators, and technology transfer. Programs are tailored to fit local conditions.

Businesses that have received intensive assistance have increased gross sales by 27 percent, net profits by 38 percent, and employment by 34 percent. The legislature will be asked to expand the role of the SBDCs by providing $1,500,000 to fund international trade development and federal contract procurement assistance.

**CONTACT:** Sandy Cutler, State Director, Oregon Small Business Development, Center Network, 1059 Willamette Street, Eugene, Oregon 94701, 503-726-2250

**STATE:** Washington
**PROGRAM:** Partnership for Rural Improvement
**TYPE:** Community/economic development leadership, facilitation
**FUNDING:** Approximately $250,000 yearly
**INNOVATION:** Focuses on the lack of leadership and educational and governmental resources in rural areas and provides a partnership of two- and four-year schools to address these scarcities.
**SUCCESS:** The program has had several successful projects and enjoys a good reputation.
**RURALNESS:** Targeted specifically at rural Washington.

The Partnership for Rural Improvement (PRI) is currently a consortium of six institutions of higher education. PRI was established to further the public service activities of institutions of higher education in rural community development. It is a vehicle through which faculty expertise is made available to communities. The Partnership is recognized nationally as a model rural development program.

The PRI was started in 1976 by a W. K. Kellogg Foundation grant. The community colleges participate in the Partnership through a shared staffing arrangement with the land grant university. A PRI program associate is jointly hired by the two institutions and is housed in the participating community college. Each community college program has a districtwide PRI advisory committee made up of community-based public agency representatives and interested citizens.

The PRI takes a community development approach to its projects that emphasizes local capacity-building to solve problems. Higher education resources are designed to encourage collaborative approaches in solving community problems. PRI is not meant to take over the community development process or to take credit for successes that occur. Examples of PRI activities include community skills training, training to strengthen public service delivery, growth planning, and economic development training. PRI responds to community needs as they arise. In the early 1980s, capacity building for local governments was needed to respond to loss of federal funds and growing budgetary problems. Now, economic development is the foremost need.

Over time several community colleges have dropped out of the Partnership, however, primarily because of administrative priorities and funding problems. Currently three community colleges--Community Colleges of Spokane, Skagit Valley College, and Yakima Valley Community College--are participating.

**CONTACT:** Dr. Rob McDaniel, Program Administrator, Partnership for Rural Improvement, Washington State University, 330 Cleveland Hall, Pullman, Washington 99163-9986, 509-335-5509